State of Alabama's Annual Comprehensive Financial Report (ACFR)

Montgomery, Alabama

October 1, 2024 through September 30, 2025

Filed: April 10, 2026

ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

Rachel Laurie Riddle, *Chief Examiner* | **334-777-0500** | **www.alexaminers.gov**

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Rachel Laurie Riddle
Chief Examiner

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

Dear Madam:

An audit was conducted on the financial statements contained in the State of Alabama's Annual Comprehensive Financial Report (ACFR) for the period October 1, 2024 through September 30, 2025. Under the authority of the ***Code of Alabama 1975***, Section 41-5A-19, I hereby swear to and submit this report to you on the results and findings of the audit.

Respectfully submitted,

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

rb

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Department of
Examiners of Public Accounts

SUMMARY

Annual Comprehensive Financial Report (ACFR)
of the State of Alabama
October 1, 2024 through September 30, 2025

This report presents the results of an audit of the financial statements contained in the Annual Comprehensive Financial Report (ACFR) of the State of Alabama (the "State"). The ACFR presents financial information on the government of the State of Alabama as a whole in a single reporting entity. 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. The State of Alabama Department of Finance prepares and publishes the ***State of Alabama Annual Comprehensive Financial Report***, a copy of which is contained in this report.

The audit was performed 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 objective of the audit was to determine whether 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's basic financial statements listed in the ACFR table of contents, are presented fairly in all material respects.

The ***Independent Auditor's Report*** contains unmodified opinions on the accompanying 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.

COMMENT

Bond indebtedness paid from proprietary fund operations is shown in both the government-wide financial statements and in the proprietary fund financial statements of the ACFR. Only the matured portion of the bond indebtedness payable from governmental funds is shown as an obligation in the governmental fund financial statements. The remaining portion of the governmental fund long-term debt is reported in the government-wide financial statements. The Department of Examiners of Public Accounts produces a report annually that summarizes the details of the bond indebtedness of the State of Alabama that is not presented in the ACFR. This separate special report is entitled ***Bond Indebtedness of the State of Alabama*** and can be obtained from our website at www.alexaminers.gov.

AUDIT FINDING

A material weakness in internal control was found during the audit. Details of the material weakness is included in the ***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 material weakness is summarized below.

- 2025-001: A material weakness was detected in the State Business System Division of the Department of Finance's contingency planning that would ensure back-up data is available in the event of a natural disaster. 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.

EXIT CONFERENCE

An exit conference was held to discuss the results of the audit and contents of this report. Individuals included in the conference were Dr. Kathleen D. Baxter, State Comptroller; Serena McMurtrey, Director of Financial Reporting; and Rick Thomas, Financial Reporting Manager; along with James Hall, Wonzie Wooden and Brad Grier from the Department of Examiners of Public Accounts.

Independent Auditor's Report

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama
Montgomery, Alabama

Report on the Audit of the Financial Statements

Opinions

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 as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position 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 September 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain activities and funds. These activities and funds reflect the following percentages of total assets or deferred outflows and revenues or additions of the indicated opinion units:

Opinion Unit and Related Agencies/Funds Audited by Other Auditors	Percent of Opinion Unit's Total Assets/Deferred Outflows of Resources	Percent of Opinion Unit's Total Revenues/Additions
Governmental Activities: Alabama Public Health Care Authority	0.16%	0.01%
Aggregate Discretely Presented Component Units: State Employees' Insurance Board Public Education Employees' Health Insurance Fund Alabama Housing Finance Authority Alabama Water Pollution Control Authority Alabama Drinking Water Finance Authority Alabama State Port Authority Space Science Exhibit Commission Alabama Community College System Athens State University Auburn University University of Alabama University of South Alabama	88%	91%
Aggregate Remaining Fund Information: 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 Alabama Public Health Care Authority	83%	50%

The financial statements of these activities and funds were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those financial statements, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States (***Government Auditing Standards***). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Alabama's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and ***Government Auditing Standards*** will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Alabama's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Alabama's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and the other Required Supplementary Information listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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 supplementary information (combining and individual fund statements and schedules) is presented for the purposes of additional analysis 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 GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated March 30, 2026, on our consideration of the State of Alabama's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the State of Alabama's internal control over financial reporting and compliance.

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

March 30, 2026

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 identified a certain deficiency in internal controls described below, as Finding 2025-001, that we consider 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 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

Finding 2025-001 (formerly reported Findings 2024-001, 2023-001, 2022-001, 2021-002, 2020-002, 2019-002, 2018-002, 2017-002 and 2014-001) – Disaster Recovery and Contingency Planning – Material Weakness

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 agreed with the finding.

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 the 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 are 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
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

March 30, 2026

Auditee Response/Corrective Action Plan

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

Bill Poole
Director of Finance

Valisha Kirkland
Acting SBS Director

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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STATE OF ALABAMA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2025

Kay Ivey
Governor

Young Boozer
State Treasurer

Bill Poole
Finance Director

Andrew Sorrell
State Auditor

Prepared by the
Department of Finance, Office of the State Comptroller
Kathleen D. Baxter, Ph.D, CGFM, CPM • State Comptroller

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Kay Ivey
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Kathleen D. Baxter, PhD, CGFM, CPM
State Comptroller

Bill Poole
Finance Director

Jamie D. Jackson
Deputy State Comptroller

March 27, 2026

To the Honorable Governor,
Members of the State Legislature, and
the Citizens of Alabama:

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the State of Alabama for the year ended September 30, 2025. I believe the information as presented is accurate in all material respects and complies with Article IV, Section 72 of the *Constitution of Alabama of 1901* and Section 41-4-3(4) of the *Code of Alabama 1975*, as amended. The completeness and fairness of the presentation, including all disclosures, rests with the State's management. This report complies with Article V, Section 137 of the *Constitution of Alabama of 1901* and Section 36-16-1(6) of the *Code of Alabama 1975*, as amended, as the financial report for the State Auditor, State Treasurer, and State Comptroller.

Introduction to the Report

Internal Controls

The internal controls in the State's accounting system have been designed to comply with Alabama statutes requiring the audit of receipts and receivables; the determination of legality and correctness of each claim and expenditure; and that funds are appropriated, allotted, and on deposit in the State Treasury before any warrant is issued. The internal controls include manual preaudit and automated system edits. As an additional control, the State Auditor's Office is responsible for a post-audit of the accounts and records of the Department of Finance and the State Treasurer's Office. These internal accounting controls provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss or unauthorized disposition and the reliability of the financial records from which the financial reports are prepared. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefits.

Audit

This ACFR has been audited by the Department of Examiners of Public Accounts. The Examiners conducted their audit 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 Examiners' unmodified opinion appears at the beginning of the financial section of this report. The State will also undergo an audit of federal programs to conform to the requirements of the *Single Audit Act Amendments of 1996* and *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements (Uniform Guidance).* Information relating to the single audit, including the schedule of expenditures of federal awards, and audit findings and recommendations, is issued in a separate report and will be available at a later date from the Department of Examiners of Public Accounts.

Management's Discussion and Analysis

Governmental Accounting Standards Board (GASB) Statement No. 34 requires that management provide a narrative introduction, overview and analysis to accompany the Basic Financial Statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report. The MD&A provides an overview of the State's financial activities addressing both governmental and business-type activities reported in the government-wide financial statements. In addition, the MD&A focuses on the State's major funds, such as the General Fund, Education Trust Fund, Alabama Trust Fund, Unemployment Compensation Trust Fund, and the Coronavirus Relief Fund.

Profile of the Government

Reporting Entity

This report presents financial information on all of State government as a single reporting entity. While state law allows many state organizations to operate largely independent of the daily central control and scrutiny of the Department of Finance, State Auditor, and State Treasurer, this report combines the financial data of all state organizations in order to present a comprehensive picture of state finances. The numerous departments, agencies, elected officials, boards, commissions, authorities, colleges, universities, and other organizational units of the State are included in this report in accordance with standards established by the Governmental Accounting Standards Board. These standards make a distinction between organizations which are considered to be part of the primary government of the State and those which are component units. A component unit is defined as a legally separate organization for which the State is considered to be financially accountable. The criteria used to determine financial accountability include the appointment of a majority of the governing board, the ability of the State to impose its will on the organization, and the potential for the organization to be a financial benefit or financial burden to the State. The State is also considered financially accountable for any organization having an independently appointed board if that organization is fiscally dependent on the State. An organization is fiscally dependent if it is unable to adopt a budget, set rates or charges, or issue bonded debt without the approval of the State. Component units can be reported as if they are a part of the primary government ("blended presentation") if they provide services solely to the government or if their debt is repaid solely by the government, but many of the State's component units do not and are therefore presented separately ("discrete presentation") in these financial statements. The largest of the blended component units includes the Public School and College Authority, Department of Mental Health, and the Federal Aid Highway Finance Authority. The major discretely presented component units are the University of Alabama, Auburn University, the University of South Alabama, the Public Education Employees' Health Insurance Board, and the Alabama Community College System. Note 1 to the financial statements provides a more complete description of the State's reporting entity.

Budgetary Controls

Budgetary control is exercised through the Executive Budget Office of the Department of Finance based on the Appropriation Acts of the State Legislature. Alabama's annual Appropriation Acts include legally adopted budgets for the General Fund, the Education Trust Fund, and other budgeted funds. The Appropriation Acts identify the source of funding and the programmatic (functional) areas for which expenditures are authorized. Both the *Constitution of Alabama of 1901* and the statutes require a balanced budget for annual financial operations. In the event that revenue collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent an overdraft in any fiscal year for which appropriations are made. Allotments of appropriations are made quarterly based on plans of operations submitted by the departments and agencies. These appropriations and allotments are enforced by automated edits that prevent allotments in excess of appropriations and expenditures in excess of allotments. Encumbrance accounting is utilized as purchase orders are issued to insure that purchase orders plus expenditures do not exceed allotment balances. Controls are further tightened at fiscal year-end by verifying that the total of purchase orders plus expenditures plus any obligations (accounts payable) incurred against fiscal year appropriations do not exceed allotments, and remaining allotments do not exceed cash in the Treasury.

Cash Controls

The State's controls on cash are fiscally very conservative. Amendment 26 to the *Constitution of Alabama of 1901* prohibits the State Comptroller from drawing warrants on the State Treasury unless there is money on hand to cover those warrants. This is more restrictive at the end of the fiscal year when obligations (encumbrances and accounts payable) cannot exceed the available cash balance (cash less warrants payable). This control is enforced by automated edits and tends to result in positive fund balances, even when generally accepted accounting principles (GAAP) basis accruals are made in the financial statements. Compliance with Amendment 26 is demonstrated in the following exhibits for the General Fund and the Education Trust Fund.

Summary of Receipts, Disbursements, and Cash Balances
General Fund
Last Five Fiscal Years - Cash Basis (Treasury Cash Only)
(Amounts in Thousands)

	2025	2024	2023	2022	2021
Beginning Cash Balance, October 1	**$ 1,482,213**	**$ 1,179,800**	**$ 901,612**	**$ 778,306**	**$ 567,967**
Receipts	3,586,265	3,466,147	3,239,590	2,777,753	2,561,533
Disbursements	3,407,417	3,163,734	2,961,402	2,654,447	2,351,194
Net Increase (Decrease) in Cash Balance	**178,848**	**302,413**	**278,188**	**123,306**	**210,339**
Ending Cash Balance, September 30	**1,661,061**	**1,482,213**	**1,179,800**	**901,612**	**778,306**
Cash Balance Reserved for Obligations	870,266	542,566	184,107	87,815	72,855
Unobligated Cash Balance, September 30	**$ 790,795**	**$ 939,647**	**$ 995,693**	**$ 813,797**	**$ 705,451**

Summary of Receipts, Disbursements, and Cash Balances
Education Trust Fund
Last Five Fiscal Years - Cash Basis (Treasury Cash Only)
(Amounts in Thousands)

	2025	2024	2023	2022	2021
Beginning Cash Balance, October 1	**$ 2,436,814**	**$ 2,575,119**	**2,971,600**	**$ 1,389,459**	**$ 415,243**
Receipts	10,919,432	10,649,888	10,428,930	10,519,953	8,643,813
Disbursements	11,195,201	10,788,193	10,825,411	8,937,812	7,669,597
Net Increase (Decrease) in Cash Balance	**(275,769)**	**(138,305)**	**(396,481)**	**1,582,141**	**974,216**
Ending Cash Balance, September 30	**2,161,045**	**2,436,814**	**2,575,119**	**2,971,600**	**1,389,459**
Cash Balance Reserved for Obligations	115,134	120,895	56,122	64,182	58,676
Unobligated Cash Balance, September 30	**$ 2,045,911**	**$ 2,315,919**	**$ 2,518,997**	**$ 2,907,418**	**$ 1,330,783**

General Fund and Education Trust Fund Balances

The fund balances for the General Fund and the Education Trust Fund for the last five fiscal years are presented in the following table. The fiscally conservative nature of Amendment 26 to the *Constitution of Alabama of 1901* tends to produce positive fund balances.

Fund Balances - GAAP Basis
(Amounts in Millions)

	2025	2024	2023	2022	2021
General Fund	$ 2,276.9	$ 2,031.9	$ 1,713.8	$ 1,351.8	$ 1,351.4
Education Trust Fund	2,650.7	2,951.6	3,106.9	816.9	719.5

Cash Management

The State Treasurer has the responsibility for the investment of cash balances. In accordance with statutory requirements, treasury cash may be deposited in any available bank product in any bank or savings association that is a qualified public depository and that has been designated as a state depository according to law. Also, treasury cash may be invested in securities but the types of investments are limited.

The State Treasurer has placed considerable emphasis on cash management. In cooperation with state agencies, the receiving of funds into the State Treasury is expedited, with all excess funds earning interest. Interest income and other investment earnings received during the 2025 fiscal year totaled approximately $556 million. Investment earnings are deposited in the State's General Fund to be appropriated by the State Legislature for government operations. In addition to the management of the investment of these funds, the State Treasurer initiates investments for several state agencies, with investment earnings being credited to those agencies.

Long-term Financial Initiatives

The State continues to improve its financial processes through a number of projects. At the direction of the Governor's Executive Order 726, the Comptroller and State Treasurer are working to bring as many non-Treasury bank accounts as possible into the State Treasury. Bringing these accounts into the State Treasury will promote uniform fiscal procedures, improve efficiency, and maximize transparency. The State Comptroller is expanding the p-card and travel card programs to all State agencies. The new payroll/personnel system went live in late 2024. The financial system was upgraded to improve the efficiency of generating large groups of warrants that all have the same accounting entry such as income tax refunds.

Economic Condition and Outlook

Following an increase in 2024, Alabama's gross domestic product (ALGDP) rose by 1.8 percent in 2025 which is an increase of approximately $4.6 billion. ALGDP is expected to increase by 1.8 percent in 2026. The State's unemployment rate remained the same from 2024 at 2.9 percent which is below the national average of 4.3 percent. The total tax revenues increased by 3.1 percent which is an increase of $529 million and is projected to increase by 3.0 percent in 2026.

Alabama's nonfarm employment growth grew by 0.7 percent during 2025 despite headwinds from the ongoing trade tensions between the United States and key global partners, as well as inflationary pressure during the first half of the year. Job gains were seen in the following sectors - private education and health services, government, manufacturing, and construction. In 2026, nonfarm employment is projected to grow by 0.8 percent. This anticipated growth reflects on the continued expansion in key sectors, especially those tied to manufacturing as well as educational healthcare services.

The private education and health services sector grew by 2.2 percent in 2025 which added 5,900 jobs. This increase is due to the rising demand for health care services and continued expansion in private educational institutions. The government sector grew by 1 percent in 2025 which added 4,000 jobs due to increased hiring at the state and local levels to support public services, schools, and administrative functions. The manufacturing sector increased by 1 percent which added 2,900 jobs in 2025 driven by sustained strength in Alabama's industrial base and higher output needs across key durable good producers. The construction sector grew by 2.5 percent in 2025 which added 2,700 jobs. This increase is due to the ongoing infrastructure improvements, commercial development, and steady residential building activity.

Alabama's total exports reached $17.4 billion in the first eight months of 2025, which is a 4.4 percent decline compared to the same period in the previous year. Exports to Canada is Alabama's largest trade partner from the same period in the previous year. Other major export destinations for Alabama products included Mexico, China, Germany, and Japan. Several of Alabama's major export categories had significant declines in 2025: minerals and ores dropped by 35 percent, chemical exports decreased by 10.5 percent, primary metal manufactures declined by 15.2 percent, and transportation equipment fell by 2 percent. These reductions highlight the challenging external environment that Alabama's export sector was facing in 2025.

Despite ongoing U.S.-China trade tensions, the Russia-Ukraine conflict, and continued instability in the Middle East, Alabama's economic output grew by 1.8 percent in 2025 due to Alabama's well-diversified economic base, steady consumer spending, and continued business and infrastructure investment. The economic growth is expected to grow by 1.8 percent in 2026 due to the State's diversified economy and resilient consumer base provide a stable foundation, though developments in international trade and energy markets will be key determinants of the pace and sustainability of growth. The sectors and industries that are expected to grow are other transportation equipment manufacturing, other services (except government), retail trade, and educational services. Other transportation equipment manufacturing is expected to grow by 3.7 percent, other services (except government) anticipate to grow by 3.1 percent, retail trade is projected to grow by 3 percent, and educational services is expected to grow by 2.9 percent. Alabama's non-farm employment is expected to grow by 0.8 percent in 2026, adding approximately 18,597 jobs across the state. The sectors that are expected to see employment growth are other nondurable goods manufacturing, miscellaneous durable goods manufacturing, educational and health services, and other transportation manufacturing. The other

nondurable goods manufacturing sector is projected to increase employment by 3.2 percent. The miscellaneous durable goods manufacturing sector is expected to increase employment by 3 percent. The educational and health services sector is projected to grow employment by 2.4 percent. The other transportation manufacturing sector is anticipated to increase employment by 2 percent.

The State has several tax abatement programs including the Jobs Credit, Investment Credit, Apprenticeship Tax Credit, Film Incentive, Growing Alabama Credit, and the Historic Rehabilitation Tax Credit. These programs are expected to result in job creation, capital investment, registered apprenticeship expansion, production company employment, business growth, and historic structure preservation.

Acknowledgments

Production of this report would not have been possible without the assistance of all state organizations which supplied financial information vital to the accuracy of this report. As we strive to produce this report in future years and to further enhance its quality, the continued support and cooperation of all agencies remain essential. I also wish to express my appreciation to the entire staff in the Division of Control and Accounts, whose daily efforts to improve the accountability of state government make the quality of this report possible.

Respectfully submitted,

Kathleen D. Baxter, Ph.D., CGFM, CPM
State Comptroller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Alabama

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

PRINCIPAL STATE OFFICIALS

September 30, 2025

EXECUTIVE BRANCH

Kay Ivey
Governor

Will Ainsworth
Lt. Governor

Young Boozer
State Treasurer

Wes Allen
Secretary of State

Rick Pate
Commissioner of Agriculture

Steve Marshall
Attorney General

Andrew Sorrell
State Auditor

JUDICIAL BRANCH

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Chief Justice of the Supreme Court

Justices of the Supreme Court
Greg Shaw
Kelli Wise
Tommy Bryan
William B. Sellers
Brady E. Mendheim, Jr.
Greg Cook
Chris McCool
Bill Lewis

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Senate President, Pro Tempore

Nathaniel Ledbetter
Speaker of the House

Rachel Riddle
Examiners of Public Accounts

Othni J. Lathram
Legislative Services Agency

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Department of Finance

Curtis Stewart
ABC Board

Ellen McNair
Department of Commerce

Jean Brown
Department of Senior Services

Michael Hill
State Banking Department

Chris Blankenship
Department of Conservation and Natural Resources

Lee Sentell
Department of Tourism and Travel

Ami Brooks
Department of Early Childhood Education

Stacia Robinson
Office of Minority Affairs

Kenneth W. Boswell
ADECA

Major General David Pritchett
State Military Department

Nancy Buckner
Department of Human Resources

Greg Reed
Department of Workforce

Kim Boswell
Department of Mental Health

Mark Fowler
Department of Insurance

Brigadier General (Ret.) Jeff Newton
Department of Veterans Affairs

John Q. Hamm
Department of Corrections

Jeff Smitherman
Emergency Management Agency

John R. Cooper
Department of Transportation

Daniel Urquhart
Office of Information Technology

Bo Offord
Alabama Medicaid Agency

Vernon Barnett
Department of Revenue

Hal Taylor
Alabama Law Enforcement Agency

Cam Ward
Bureau of Pardons and Paroles

Voters of Alabama

LEGISLATIVE BRANCH

House of Representatives
The Senate
Legislative Services Agency

Examiners of Public Accounts

EXECUTIVE BRANCH

JUDICIAL BRANCH

Supreme Court
Court of Civil Appeals
Court of Criminal Appeals
Circuit and District Courts
Administrative Office of Courts

Independent Agencies and Institutions

Archives and History
Building Commission
Commission on Higher Education
Environmental Management
Ethics Commission
Forensic Sciences
Forestry Commission
Geological Survey
Institutions of Higher Education
Office of Prosecution Services
Oil and Gas Board
Pardons and Paroles
Personnel Department
Postsecondary Education
Public Health
Public Library Services
Retirement Systems of Alabama
Securities Commission
Veterans Affairs
Youth Services
Other Boards and Commissions

Governor

Alcoholic Beverage Control Board
Bureau of Pardons and Paroles
Commerce
Conservation and Natural Resources
Corrections
Early Childhood Education
Economic and Community Affairs
Emergency Management
Finance
Human Resources
Information Technology
Insurance
Law Enforcement Agency
Medicaid
Mental Health
Military
Minority Affairs
Revenue
Senior Services
Tourism
Transportation
Workforce

Other Elected Officials

Lieutenant Governor
Secretary of State
Attorney General
State Treasurer
State Auditor
State Board of Education
Agriculture and Industries Commissioner
Public Service Commission

State of Alabama
Department of
Examiners of Public Accounts
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Rachel Laurie Riddle
Chief Examiner

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama
Montgomery, Alabama

Report on the Audit of the Financial Statements

Opinions

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 as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position 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 September 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain activities and funds. These activities and funds reflect the following percentages of total assets or deferred outflows and revenues or additions of the indicated opinion units:

Opinion Unit and Related Agencies/Funds Audited by Other Auditors	Percent of Opinion Unit's Total Assets/Deferred Outflows of Resources	Percent of Opinion Unit's Total Revenues/Additions
Governmental Activities: Alabama Public Health Care Authority	0.16%	0.01%
Aggregate Discretely Presented Component Units: State Employees' Insurance Board Public Education Employees' Health Insurance Fund Alabama Housing Finance Authority Alabama Water Pollution Control Authority Alabama Drinking Water Finance Authority Alabama State Port Authority Space Science Exhibit Commission Alabama Community College System Athens State University Auburn University University of Alabama University of South Alabama	88%	91%
Aggregate Remaining Fund Information: 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 Alabama Public Health Care Authority	83%	50%

The financial statements of these activities and funds were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those financial statements, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States ***(Government Auditing Standards)***. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Alabama's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and ***Government Auditing Standards*** will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Alabama's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Alabama's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and the other Required Supplementary Information listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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 supplementary information (combining and individual fund statements and schedules) is presented for the purposes of additional analysis 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 GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards,*** we have also issued our report dated March 30, 2026, on our consideration of the State of Alabama's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the State of Alabama's internal control over financial reporting and compliance.

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

March 30, 2026

Management's Discussion and Analysis

Governmental Accounting Standards Board (GASB) Statement No. 34 requires that management provide a narrative introduction, overview and analysis to accompany the Basic Financial Statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report. The MD&A provides an overview of the State's financial activities addressing both governmental and business-type activities reported in the government-wide financial statements. In addition, the MD&A focuses on the State's major funds, such as the General Fund, Education Trust Fund, Alabama Trust Fund, Unemployment Compensation Trust Fund, and the Coronavirus Relief Fund.

The following is a narrative overview and analysis of the financial activities of the State of Alabama for the fiscal year ended September 30, 2025. Please consider the information presented here in conjunction with the letter of transmittal, which is located in the Introductory Section of this report, and the State's financial statements, which immediately follow this discussion and analysis.

Financial Highlights

- The State's net position increased by $1 billion during the fiscal year. The assets and deferred outflows of the State exceeded its liabilities and deferred inflows at the close of the fiscal year by $35 billion (net position). $23.1 billion was the net invested in capital assets, and $4.2 billion was Alabama Trust Capital.
- The State had a net pension liability of $4.3 billion for the primary government.
- The State had a net other post-employment liability (net OPEB liability) of $1.9 billion for the primary government.
- The Change in Net Position in governmental activities was an increase of $940 million.
- Governmental activities have $6.5 billion in investments, $4.2 billion of which is held in the Alabama Trust Fund.
- Tax revenues for the primary government increased $564 million, or 3.8 percent, primarily as a result of the economy.
- Income tax revenues increased $278 million, primarily because of an increase of employment. Sales and use tax revenues increased $146 million, primarily because of high inflation affecting prices and sustained consumer spending despite the reduction of the state sales tax on groceries.
- Revenues decreased $873 million or 2 percent while expenses increased $177 million, or 1 percent.
- The business-type activities reported net position at year-end of $1.3 billion, an decrease of $374 million, or 22 percent, for the fiscal year. The Unemployment Compensation Trust Fund cash was increased by $59 million. The change of the State Port Authority being reclassified from a business-type activity to a non-major Component Unit was the primary cause of the decrease in net position when compared to the prior year.
- The State's total bond debt at the end of the fiscal year was $5.2 billion for the primary government, a decrease of $420 million.
- The State issued Federal Aid Highway Finance Authority issued Series 2025-A bonds with a par value of $250 million and a premium of $24.7 million for the purpose of financing various capital improvements. The Federal Aid Highway Finance Authority also issued Series 2025-B bonds with a par value of $340.6 million and a premium of $35.9 million for the purpose of refunding Series 2021-B bonds and other legally permissible purposes.
- Capital Assets increased $168 million to $25.7 billion, which includes $19.6 billion in infrastructure assets.
- The Alabama Trust Fund balance increased by $252 million, or 6 percent, and now stands at $4.3 billion.
- The Alabama Trust Fund investment earnings decreased $307 million as a result of the stock market.
- General Fund revenues increased by $137 million, while expenditures increased $305 million.
- Education Trust Fund revenues increased $314 million, while expenditures increased $619 million.
- On a budgetary basis, General Fund revenues and other sources exceeded expenditures and other uses by $973.4 million. However, on a GAAP (Generally Accepted Accounting Principles) basis, General Fund revenues and other sources exceeded expenditures and other uses by $233 million. The Budgetary Comparison Schedule in Required Supplementary Information reconciles these amounts and lists the accounting basis differences.
- The General Fund was not prorated and the Medicaid Agency has unexpended General Fund appropriations of $89 million to carry over to fiscal year 2026.

Overview of the Financial Statements

This discussion and analysis is an introduction to the State of Alabama's basic financial statements. The State's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* provide a broad overview of the State's financial position and activities measured in a manner similar to a private-sector business. These statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the economic resources measurement focus and accrual basis of accounting. The government-wide financial statements exclude fiduciary activities.

The *Statement of Net Position* presents information on all of the State's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the fiscal year. Net position represents the difference between all other elements in this statement. Increases or decreases in net position from year to year may serve as a useful indicator of whether the financial position of the State is improving or not.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the State that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the State include general government, economic development and regulation, education and cultural resources, natural resources and recreation, health-physical and mental, social services, protection of persons and property, and transportation. The business-type activities of the State include unemployment compensation services and operation of facilities for the distribution and sale of alcoholic beverages.

The government-wide financial statements include not only the State of Alabama itself (*primary government*), but also legally separate *component units* for which the State is financially accountable. The major *component units* include the University of Alabama, Auburn University, University of South Alabama, Public Education Employees' Health Insurance Board, and the Alabama Community College System. Financial information for the *component units* is reported in a separate column from the financial information presented for the primary government. The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A *fund* is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the State can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Most of the State's basic services are reported in governmental funds. The governmental fund financial statements focus on near-term inflows and outflows of resources of these funds and the balances of those resources available at year-end. These funds are measured and reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances are followed by a reconciliation to the government-wide statements.

The types of funds which are categorized as governmental funds are the General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. Information is presented separately in the governmental fund Balance Sheet and

in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Alabama Trust Fund, Education Trust Fund, Public Welfare Trust Fund, ARPA Coronavirus State Fiscal Recovery Fund, and Alabama Medicaid Fund, all of which are considered to be major funds. Data from the nonmajor governmental funds are combined into a single aggregated column on the basic financial statements. Individual fund data for each of the nonmajor governmental funds can be found in the combining and individual fund statements and schedules section of this report.

Proprietary funds
Services for which the State charges customers a fee are generally reported in proprietary funds. The State maintains two different types of proprietary funds: enterprise funds and internal service funds. Like the government-wide statements, proprietary funds use the accrual basis of accounting.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds report activities that provide supplies and services to external users in a manner similar to private business enterprises. The major enterprise funds are the Unemployment Compensation Trust and the Alcoholic Beverage Control Board. Individual fund data for each of the nonmajor enterprise funds can be found in the combining and individual fund statements and schedules section of this report.

Internal service funds report activities that provide supplies and services to other state agencies on a cost-reimbursement basis. These funds are reported as governmental activities on the government-wide financial statements. These funds provide computer services, information technology, telecommunications, rental of office buildings, janitorial services, building maintenance, manufacturing activities, and liability protection. The internal service funds are aggregated in a single column on the proprietary fund statements.

Fiduciary funds
The State acts as a trustee or fiduciary for its employee pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The State's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds, which include pension and other employee benefits, private-purpose, and custodial funds are reported using accrual accounting. The government-wide financial statements exclude fiduciary fund activities and balances because the resources of those funds are not available to support the State's own programs.

Notes to the Financial Statements
The notes to the financial statements are an integral part of the financial statements. They explain amounts shown in the financial statements and provide additional information that is essential to the fair presentation of the government-wide and fund financial statements.

Required Supplementary Information
In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes: 1) budgetary comparison schedule reconciling the budgetary fund balances and generally accepted accounting principles fund balances at fiscal year-end, 2) ten year loss development information for the State Insurance Fund, 3) Ten Year Trend Information for Teachers' Retirement System, Judicial Retirement Fund, and Employees' Retirement System including related notes for each, 4) Ten Year Trend Information for Retired State Employees' Health Care Trust and Retired Education Employees' Health Care Trust including related notes for both, and 5) information about infrastructure assets reported using the modified approach.

Other Supplementary Information
Other supplementary information includes combining financial statements for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, fiduciary funds, and nonmajor discretely presented component units. These funds are added together by fund type and presented in single columns in the basic financial statements.

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The State's combined net position for governmental and business-type activities is $34.6 billion in contrast to the prior year balance of $34 billion. The largest component of the State's net position reflects its investment in capital assets, such as land, buildings, equipment, and infrastructure (e.g., roads, bridges, tunnels), less any related outstanding debt used to acquire those assets, plus capital-related deferred outflows of resources, less capital-related deferred inflows of resources. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Also, it should be noted that the resources needed to repay the capital-related debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Capital assets increased $168 million. This increase can be mostly attributed to the capital improvement of prisons and additions of new infrastructure. Business-type capital assets decreased $667 million, or 87 percent, due to State Port Authority becoming a Non-major Component Unit.

The total of Current and Other Assets is $23.8 billion, a decrease from the prior year. Included in that amount were cash and cash equivalents of $13.9 billion and $1.1 billion due from other governments. Approximately 20 percent of the amount due from other governments consists of loans to local school systems and most of the remaining amount is due from the federal government for amounts earned under federal programs. The balance also includes $6.8 billion in investments, $4.2 billion of which is held in the Alabama Trust Fund. Business-type Current and Other Assets decreased $281 million, or 15 percent. This is primarily due to State Port Authority becoming a Non-major Component Unit.

Of total liabilities, 76 percent are long-term liabilities. The State has $12 billion in long-term liabilities, which includes $5.2 billion in bonds payable, $4.3 billion in net pension liability, and $1.9 billion in net other post-employment health care benefits (OPEB) liability. Total liabilities decreased by 3 percent, or $425 million. Bonds payable decreased by $420 million, net OPEB liability increased by $992 million, and net pension liabilities decreased $648 million.

Deferred Outflows of Resources is $1.7 billion, a increase of $404 million. $624 million is pension related, $1 billion is OPEB related, and $41 million is losses for bond refundings. Deferred Inflows of Resources is $793 million at the end of the current fiscal year, a decrease of $77 million. The decrease to Deferred Inflows is primarily OPEB related of $286 million, a decrease of $302 million.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or legislative restrictions on how they may be used. Internally imposed designations of resources are not presented as restricted net position. The State's net position that is unrelated to capital assets includes $17.4 billion in restricted net position, a decrease of $100 million from the prior year. Unrestricted net position represents the remaining amount of net position that may be used to meet the State's ongoing obligations that are not funded by resources that are restricted. The State has a deficit in unrestricted net position of $5.9 billion. Business-type activities has an unrestricted net position of $130 million.

Net Position as of September 30
(Amounts in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	$ 22,170,862	$ 22,397,964	$ 1,640,465	$ 1,921,187	$ 23,811,327	$ 24,319,151
Capital Assets	25,558,761	24,724,509	95,544	762,071	25,654,305	25,486,580
Total Assets	**47,729,623**	**47,122,473**	**1,736,009**	**2,683,258**	**49,465,632**	**49,805,731**
Deferred Outflows of Resources	1,620,321	1,209,621	44,622	51,399	1,664,943	1,261,020
Long-term Liabilities	11,675,536	11,516,270	261,711	532,760	11,937,247	12,049,030
Other Liabilities	3,647,509	3,902,839	165,817	224,155	3,813,326	4,126,994
Total Liabilities	**15,323,045**	**15,419,109**	**427,528**	**756,915**	**15,750,573**	**16,176,024**
Deferred Inflows of Resources	772,389	597,867	20,373	271,467	792,762	869,334
Net Position						
Net Investment in Capital Assets	23,029,757	22,629,984	21,822	424,437	23,051,579	23,054,421
Restricted	16,263,250	16,394,737	1,181,321	1,150,038	17,444,571	17,544,775
Unrestricted	(6,038,497)	(6,709,603)	129,587	131,800	(5,908,910)	(6,577,803)
Total Net Position	**$ 33,254,510**	**$ 32,315,118**	**$ 1,332,730**	**$ 1,706,275**	**$ 34,587,240**	**$ 34,021,393**

Change in Net Position

The table on the following page was derived from the government-wide Statement of Activities. Revenue is categorized as either program revenue, which is generated by the program itself, or is received from another government, or general revenue. Program revenues include charges for services, operating grants and contributions, and capital grants and contributions. As a result of the excess of revenues over expenses, the State's net position increased by $566 million during the fiscal year. Taxes provided $15 billion, or 43 percent, of the State's total revenue. Tax revenues increased by $564 million, or 4 percent, compared to the previous year primarily as a result the economy. $278 million of the increased revenue was income taxes, which was up 4 percent from the previous year. Sales and use taxes increased $146 million, or 4 percent. Operating Grants and Contributions revenue decreased $1.2 billion, or 9 percent to $13.1 billion. Federal revenues decreased $20 million for the Medicaid program. Capital Grants and Contributions increased $145 million to $1.4 billion. Charges for Services revenue decreased $263 million, or 7 percent.

General revenues were up to $18.1 billion, an increased of $489 million. Grants and contributions not restricted to specific programs, which are included in general revenues, increased by $195 million because of federal grants from the American Rescue Plan increased. Unrestricted investment earnings were $932 million, a decrease of $342 million due to a decline in the stock market. Total revenues decreased $873 million, or 2 percent, and total expenses were up $177 million, or 1 percent.

Governmental Activities

Total revenues for governmental activities for the fiscal year were $35.1 billion, an decrease of $534 million or 1 percent. Charges for Services decreased by $38 million. Operating Grants and Contributions decreased $1 million, or 8 percent, primarily because of funding related to the American Rescue Plan. Unrestricted Investment Earnings decreased $342 million mostly due to an decrease in the stock market. Taxes increased $564 million, or 4 percent, compared to the previous year primarily as a result of the economy. Capital Grants and Contributions increased $158 million, or 13 percent, mostly due to an increase in federal reimbursements related to the COVID-19 pandemic.

Expenses for governmental type activities totaled $34 billion, an increase of $384 million or 1 percent. Education and Cultural Resources spending decreased $223 million, or 2 percent. Included in Education and Cultural Resources spending were decreases in the funding related to the American Rescue Plan Act and reimbursements related to COVID-19 pandemic of $1.1 billion and $61 million, respectively. Expenditures for Health increased $188 million, or 2 percent, as the Children's Health Insurance increased by $119 million and disbursements related to the American Rescue Plan Act increased $115 million; however, these increases are offset by decreases in expenditures. Protection of Persons and Property increased $516 million, or 30 percent, primarily because of the construction, renovation, and improvement of prison facilities related expenditures increasing by $270 million. Transportation increased $123 million, or 8 percent. Natural Resources and Recreation spending increased $20 million, or 8.6 percent. Social Services spending increased $124 million, or 3 percent, of which $55 million was related to the food assistance program.

Business-type Activities

The largest business-type activity is the Alabama Unemployment Compensation Trust Fund, which accounts for 88 percent of business-type net position. The other major business-type activity is the Alcoholic Beverage Control Board since the State Port Authority is now a Non-major Component Unit. During the fiscal year the net position of business-type activities increased by $74 million. This is a 22 percent decrease from the prior year due to State Port Authority no longer being classified as a business-type activity. Operating Grants and Contributions decreased $100 million. Self-generated program revenues accounted for 98% of the total revenues for business-type activities. Only $14 million of the $904 million in revenues other came from general revenues, the majority of which came from taxes. Of the $64 million in net transfers between governmental activities and business-type activities, the majority was from the Alcoholic Beverage Control Board which transferred $53 million as mandated by law.

Overall business-type expenses were $768 million, a decrease of $207 million. The vast majority of the decrease of the expenditures was due to the Alabama Port Authority no longer being classified as a business-type activity. The Alcoholic Beverage Control Board expenses decreased $16 million, or 3 percent. This decrease was due to a decrease in expenses associated with supplies, materials, and operating expense. The Alabama Unemployment Compensation Trust Fund expenses decreased $28 million. The cash balance in the Unemployment Compensation Trust Fund grew by $59 million due mainly to the $28 million decrease in Unemployment Compensation operating expenses related to claims and benefits.

Changes in Net Position
For the Fiscal Year Ended September 30
(Amounts in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues:						
Program Revenues:						
Charges for Services	$ 2,494,681	$ 2,532,314	$ 889,683	$ 1,114,731	$ 3,384,364	$ 3,647,045
Operating Grants and Contributions	13,140,832	14,285,446	1,867	102,003	13,142,699	14,387,449
Capital Grants and Contributions	1,365,562	1,207,771	49	13,138	1,365,611	1,220,909
General Revenues:						
Taxes	15,292,816	14,728,462	14,710	14,799	15,307,526	14,743,261
Grants and Contributions Not Restricted to Specific Programs	483,513	288,892	—	—	483,513	288,892
Unrestricted Investment Earnings	932,263	1,274,031	—	—	932,263	1,274,031
Miscellaneous	1,398,688	1,325,073	(590)	655	1,398,098	1,325,728
Total Revenues	**35,108,355**	**35,641,989**	**905,719**	**1,245,326**	**36,014,074**	**36,887,315**
Expenses:						
Economic Development and Regulation	180,391	212,427			180,391	212,427
Education and Cultural Resources	12,583,272	12,806,084			12,583,272	12,806,084
Natural Resources and Recreation	258,661	238,248			258,661	238,248
Health	11,006,255	10,818,463			11,006,255	10,818,463
Social Services	3,705,572	3,581,939			3,705,572	3,581,939
Protection of Persons and Property	2,251,657	1,736,121			2,251,657	1,736,121
Transportation	1,568,926	1,446,138			1,568,926	1,446,138
General Government	2,509,271	2,831,463			2,509,271	2,831,463
Debt Service - Interest and Other Charges	168,713	177,450			168,713	177,450
Unemployment Compensation			75,539	103,162	75,539	103,162
State Port Authority			—	214,320	—	214,320
Alcoholic Beverage Control Board			484,967	501,349	484,967	501,349
Nonmajor Proprietary Funds			207,116	155,962	207,116	155,962
Total Expenses	**34,233,023**	**33,848,333**	**767,622**	**974,793**	**35,000,645**	**34,823,126**
Increase (Decrease) in Net Position Before Transfers	875,332	1,793,656	138,097	270,533	1,013,429	2,064,189
Transfers	64,060	30,926	(64,060)	(30,926)	—	—
Change in Net Position	939,392	1,824,582	74,037	239,607	1,013,429	2,064,189
Net Position- Beginning, as restated	32,315,118	30,490,536	1,258,693	1,466,668	33,573,811	31,957,204
Net Position- Ending	**$ 33,254,510**	**$ 32,315,118**	**$ 1,332,730**	**$ 1,706,275**	**$ 34,587,240**	**$ 34,021,393**

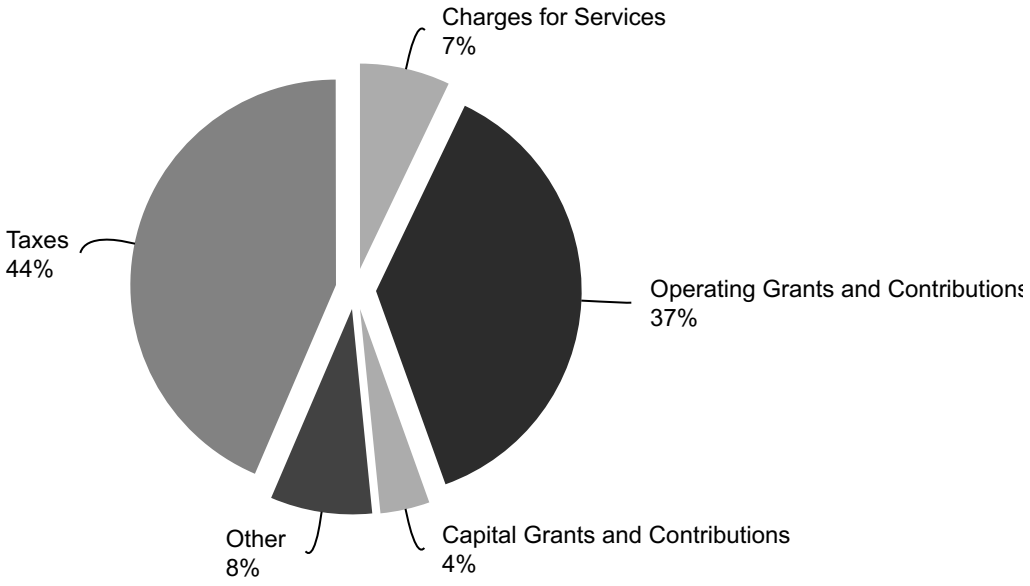
Governmental Activities

Operating grants and contributions along with taxes together accounted for 81 percent of governmental activities revenue. Taxes are the largest, making up 44 percent of total governmental revenues, while operating grants and contributions make up 37 percent.

Income taxes are 50 percent of the total taxes recorded in governmental activities. Sales and use taxes comprise 28 percent of taxes in governmental activities. Income taxes brought in $7.6 billion and sales and use taxes $4.3 billion. Income taxes increased $278 million, or 4 percent, while sales and use taxes increased $146 million, or 4 percent.

Capital grants and contributions are 4 percent of revenues. The Department of Transportation received 96 percent of all capital grants and contributions, primarily for road and bridge related projects. About 95 percent of operating grants and 94 percent of the capital grants were received from the Federal government.

Revenues - Governmental Activities
Fiscal Year Ended September 30, 2024



Expenses for governmental activities are grouped by functional area. The two largest functional areas were Education and Cultural Resources and Health. These two areas together accounted for 69 percent of the governmental activities expenses for the fiscal year. Social Services accounted for 11 percent of the governmental activities expenses.

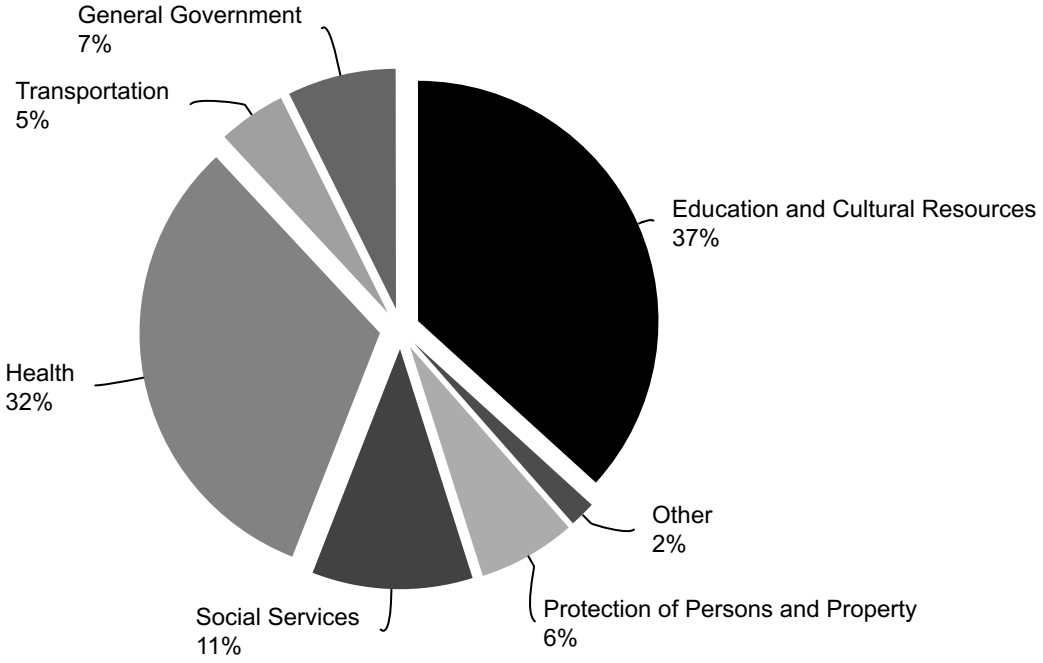
Education and Cultural Resources make up 37 percent of governmental activity expenses, an decrease of 1 percent from the previous year. Within Education and Cultural Resources, 61 percent of expenditures were for the Local Financial Assistance program for K-12 school systems and 16 percent was for the Support of State Universities program. Local Financial Assistance increased $518 million, or 7 percent, and Support for State Universities increased $81 million, or 4 percent.

Health accounted for 32 percent of governmental activity spending, which is the same percentage from the previous year. Medicaid programs account for 75 percent of Health spending, while the Department of Public Health was 11 percent and the Department of Mental Health was 11 percent.

Social Services accounted for 11 percent of governmental activity spending, which is the same percentage from the previous year. Within Social Services, spending on the Food Assistance program makes up 52 percent of all social services spending while 23 percent is spent on various children's programs. Spending on Food Assistance increased $55 million, or 3 percent.

Protection of Persons and Property increased from 5 percent to 6 percent of total spending. The Department of Corrections makes up 31 percent of Protection of Persons and Property spending, while the Alabama Law Enforcement Agency comprises of 11 percent and the 911 Board 8 percent.

Expenses - Governmental Activities
Fiscal Year Ended September 30, 2024



Financial Analysis of the State's Funds

Governmental Funds

The focus of the State's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the State's financing requirements. In particular, unassigned General Fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the governmental funds reported combined ending fund balances of $18 billion. Nonspendable fund balance was $162 million and assigned fund balance was $175 million. Spending restricted for specific purposes comprised $15.4 million. Those restrictions have been imposed by external parties, constitutional provisions, or enabling legislation. The largest restricted amount of $5.8 billion is for Education and Cultural Resources. An additional $9.6 billion of governmental fund balance has been restricted for a wide variety of purposes which includes $4.2 billion restricted for the Alabama Trust Fund. The Alabama Trust Fund originally was a permanent fund, but is now a special revenue fund because of Amendment 666 and Amendment 856 to the Constitution of Alabama of 1901 which allow limited spending of principal.

The General Fund is the primary operating fund of the State. At the end of the current fiscal year, unassigned fund balance of the General Fund was $2.2 billion, $13 million nonspendable fund balance, and $16.3 million assigned fund balance. Revenues for the General Fund were up $137 million, or 4 percent. This is primarily due to leases increasing by $20 million. Taxes increased $180 million. The largest increases in tax revenues to the General Fund were $91 million in insurance premium tax. The fund balance for the General fund increased by $245 million primarily because of the increase in revenues. Also, the General Fund cash increased by $204 million because of the growth in revenue.

Expenditures for the General Fund increased $305 million, or 13.3 percent. Health expenditures increased $165 million, or 17.3 percent. Medicaid Agency expenditures were 92 percent of the health expenditures in the General Fund. Spending on Health in the General Fund for Nursing Home Care increased $59 million and Alternative Care increased by $28 million. Spending on General Government in the General Fund increased $73 million. Protection of Persons and Property expenditures increased $81 million. The largest spending for Protection of Persons and Property in the General Fund was $733 million for the Department of Corrections. This an increase of $37 million from the previous year, with the majority of the increase, $20 million, being used for inmate administration security, custody and control.

The Education Trust Fund (ETF) is the largest operating fund of the State. Revenues credited to the ETF are used for the support, maintenance and development of public education in Alabama, debt service and capital improvements relating to educational facilities, and other functions related to educating the state's citizens. Programs and agencies supported by the ETF include K-12 education, public library services, performing and fine arts, various scholarship programs, the state's education regulatory departments, and two-year and four-year colleges and universities. Funding from the ETF is also provided to non-state agencies that provide educational services to the people of Alabama, including the arts, disease counseling and education, and youth development. Ten tax sources are allocated to the ETF, the largest of which are the individual and corporate income tax, sales and use tax, and utility tax. Tax revenues in the ETF for the fiscal year increased $315 million, or 3 percent as compared to the previous fiscal year. Sales and use tax revenues, generated in part by the aforementioned simplified sellers use tax, increased by $30 million and income tax revenues increased by $269 million, while utility tax held steady. Expenditures, as limited by the budget, were up 7 percent, or $619 million. A large portion of the increase is primarily due to an increase of $198 million to the local financial assistance. The ETF transferred out $2.1 billion, including $874 million to the ETF Advancement and Technology Fund, $350 million to the Educational Opportunities Reserve Fund, and $113 million to the ETF Budget Stabilization Fund, all are Nonmajor Special Revenue funds. Due to Other Funds in the ETF is $81 million. The ETF fund balance decreased $301 million to a balance of $2.65 billion, as cash and cash equivalents decreased $276 million. The fund balance, while legally restricted to a variety of educational purposes, is all available for those purposes in the next fiscal year.

The Alabama Trust Fund consists of income from the sale or lease of rights for offshore exploration and drilling for oil and gas off the Alabama coast, as well as investment income earned on the accumulated capital. Revenues from royalties and other payments related to the production of oil and gas increased by $6 million during the fiscal year. Investment earnings decreased from $724 million to $417 million during the fiscal year due to an decrease in the fair market value of the stock market. Various amendments to the Constitution of Alabama of 1901 require that Alabama Trust income be used to support the General Fund, Forever Wild Land Trust, and a variety of state and local capital projects as well as debt service. In compliance with constitutional requirements, $180 million was transferred out to support these other funds. Transfers to the General Fund were $120 million. During the fiscal year, the amount constitutionally restricted for Trust Capital increased $249 million from the prior year.

The Medicaid Fund accounts for the portion of the Medicaid program that is funded 89 percent by Federal revenues. Federal revenues decreased 0.3 percent, or $20 million. Expenditures decreased 3 percent or $243 million. Mental Health Waivers increased $54 million and Administrative Cost increased $25 million. These increases are offset by decrease of other expenditures in the Medicaid Fund. The net change in fund balance for Medicaid was a $67 million increase, bringing the total fund balance $70 million. The decrease in revenues and expenditures led to a increase in fund balance for the Medicaid Fund.

The Public Welfare Trust Fund is used to account for a broad range of social, protective, and financial assistance programs for citizens. This is the major operating fund of the Department of Human Resources. Revenues from federal funds comprise 89 percent of total revenues, and is supplemented by the whiskey tax and a portion of the Alabama Alcoholic Beverage Control Board profits, sales tax, franchise tax, and beer tax. Overall spending increased $28 million, or 1 percent. The Food Assistance program accounts for 65 percent of total expenditures. The fund balance at year end is $149 million, a decrease of $25 million. The fund balance, while legally restricted to a variety of social service programs, is all available for those programs in the next fiscal year.

The ARPA Coronavirus State Fiscal Recovery Fund was established as a result of the American Rescue Plan Act of 2021 to provide COVID related relief and economic stimulus. In fiscal year 2021 the Fund received $1.06 billion from the the Federal Government and had no expenditures. Since 2021 the Fund received and additional $427 million in fiscal year 2022, $397 million in 2023, $284 million in 2024, and $481 million in 2025. Expenditures for 2025 are $333 million. Unexpended amounts received from the Federal Government are classified as unearned revenue and has a balance of $594 million for fiscal year 2025.

Proprietary Funds

The State's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. During the fiscal year, total net position for all enterprise funds increased by $74 million.

The Unemployment Compensation Trust Fund net position increased in 2025 by $54 million, whereas in 2024 net position increased by $149 million. This increase in net position is notable considering operating revenues decreased; however, operating expenses also decreased. Operating expenses decreased by $28 million, causing overall net position to increase. The minimum employer rate is 0.0020 and the maximum employer rate remained at 0.068 for the employer shared cost. The largest driver of the decrease in revenue was a reduction of $100 million for nonoperating grants received in 2025 compared to 2024. Premiums and Contribution received decreased $31 million and benefits paid decreased $28 million. The trust fund cash increased from $1.1 billion to $1.2 billion; net position now stands at $1.2 billion; net position was $1.1 billion in 2024.

The net position of the State Port Authority is $0 within the business-type activities due to it being classified as a Non-major Component Unit.

The net position of the Alcoholic Beverage Control Board increased by $12 million in fiscal year 2025. The deficit in net position increased from $108 million to $97 million. The Board is required by law to distribute all of its profits and cannot own real property; therefore, net position generally will remain a negative amount. Non-current liabilities, such as compensated absences of $7 million, net OPEB liability of $55 million, net pension liability of $82 million, and some of the current liabilities are not deducted from the distribution amount. These non-current liabilities and related deferred outflows of resources and deferred inflows of resources decrease in 2025, resulting in the increase in net position.

Budgetary Highlights

General Fund

The original budget for the General Fund was increased by a net of $122 million during fiscal year 2025. Expenditures increased by $122 million and Transfers Out remained the same. These budgetary changes are reflected in the final budget on the Budgetary Comparison Schedule. The General Fund was not prorated during fiscal year 2025. Budgeted revenues were increased by $113 million and actual tax revenues were $499 million more than the final budget because of increases in collections of taxes.

There were significant budgetary variances between the final budget and actual results. Unexpended and reverted appropriations from fiscal year 2025 were re-appropriated to fiscal year 2026; therefore, many agencies did not spend all of their appropriations during fiscal year 2025. The Medicaid Agency has $168 million to carry over to fiscal year 2026. These appropriations will be needed in the future primarily because expenditures are expected to increase.

Supplemental appropriations were $70 million. The Court Automation Fund, the Dept. of Finance, and the Dept. of Commerce received supplemental appropriations in the amounts of $8 million, $50 million, and $5 million, respectively. Conditional and other appropriations were approximately $258 million to various agencies. $200 million was to the Correctional Capital Improvement Fund. Some expenditures are required by law to be fully funded, and estimated amounts are approved in the General Fund appropriation bill. Increases to these estimated amounts do not require a new bill and are included as other appropriations. Emergency appropriations of $5 million are included in the original budget and are included in the budgeted amounts as Other on the Budgetary Comparison Schedule. Emergency appropriations cannot exceed two percent of the total amount appropriated. On a budgetary basis, General Fund revenues and other sources exceeded expenditures and other uses by $973 million. However, on a GAAP (Generally Accepted Accounting Principles) basis, General Fund revenues and other sources exceeded expenditures and other uses by $233 million. The Budgetary Comparison Schedule in Required Supplementary Information reconciles these amounts and lists the accounting basis differences.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2025 the State invested $25.7 billion, net of accumulated depreciation, in a broad range of capital assets (see the table below). Depreciation charges for the fiscal year totaled $221 million.

Capital Assets as of September 30
(Amount in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Capital Assets Not Being Depreciated:						
Land	$ 538,168	$ 534,040	$ 280	$ 88,352	$ 538,448	$ 622,392
Historical Exhibits	4,127	4,127	2,182	2,199	6,309	6,326
Construction In Progress	569,857	668,509	72	34,816	569,929	703,325
Construction In Progress - Infrastructure	2,379,033	1,909,736	—	—	2,379,033	1,909,736
Infrastructure	19,578,971	19,460,051	—	—	19,578,971	19,460,051
Intangible Assets under Development	174,973	173,220	—	—	174,973	173,220
Inexhaustible Intangible Assets	—	—	—	10	—	10
Total Capital Assets Not Being Depreciated	**23,245,129**	**22,749,683**	**2,534**	**125,377**	**23,247,663**	**22,875,060**
Capital Assets Being Depreciated:						
Buildings	2,383,217	2,168,674	26,017	850,264	2,409,234	3,018,938
Equipment	962,751	905,984	22,746	476,695	985,497	1,382,679
Software and Other Intangible Assets	122,843	122,843	7,582	10,848	130,425	133,691
	3,468,811	3,197,501	56,345	1,337,807	3,525,156	4,535,308
Intangible Right-to-Use Assets being Amortized						
RTU Assets - Lease	754,523	558,225	100,530	77,623	855,053	635,848
RTU Subscription-based IT	13,117	12,897	—	3,433	13,117	16,330
	767,640	571,122	100,530	81,056	868,170	652,178
Total Capital Assets Being Depreciated	**4,236,451**	**3,768,623**	**156,875**	**1,418,863**	**4,393,326**	**5,187,486**
Less Accumulated Depreciation and Amortization	1,922,819	1,793,797	63,865	782,169	1,986,684	2,575,966
Total Capital Assets Being Depreciated, Net	**2,313,632**	**1,974,826**	**93,010**	**636,694**	**2,406,642**	**2,611,520**
Capital Assets, Net	**$ 25,558,761**	**$ 24,724,509**	**$ 95,544**	**$ 762,071**	**$ 25,654,305**	**$ 25,486,580**

As allowed by GASB Statement No. 34, the State adopted the modified approach for reporting roadway and bridge infrastructure assets. Under the modified approach, depreciation is not recorded. Infrastructure costs that result in an increase in the capacity or an improvement in the efficiency of the infrastructure network are capitalized and added to the historical cost of the assets. Costs that allow the infrastructure network to be used efficiently over the expected useful life of the assets are expensed as general maintenance costs. Certain maintenance costs that extend the useful life of the assets but do not increase capacity or efficiency are classified as preservation costs. Preservation costs are expensed and reported in lieu of a charge for depreciation expense.

Extensive project documentation is required to meet various federal and state guidelines concerning the construction of infrastructure. The completeness of this documentation affects the timing of project capitalization. The State capitalizes infrastructure when all costs for a project are incurred and all project documentation is satisfactorily completed, filed, and accepted with the appropriate entities. Projects that meet the cost and documentation criteria are closed, and appropriate entries are made to adjust the Infrastructure Construction in Progress and Infrastructure asset accounts annually. Due to the documentation requirements, there can be substantial time lags between the date a project is put into service on the State's roadway network and the date the project is capitalized. A significant portion of Infrastructure Construction in Progress consists of projects that have been put into service and maintenance costs could have been incurred.

The State uses the International Roughness Index (IRI) to measure and monitor pavement conditions. The IRI is a standard representing the perceived smoothness of pavements while traveling in passenger cars. A lower IRI measurement represents a smoother condition of pavement. The United States Department of Transportation developed suggested values for IRI of <60

inches/mile to >220 inches/mile to grade the smoothness condition of the roadway. A range of 60 to 94 is considered "Good" condition, with negligible maintenance required, and a range of 95-119 for Interstate Highways or 95-170 for non-interstate highways is considered "Fair", requiring routine maintenance such as pavement patching. The weighted average rating of Alabama's roads was 73.16, which exceeds the State's goal.

The State maintains 5,429 bridges and culverts. The State rates the major structural components and deck area of the bridge or culvert on a scale of one to ten and assigns a weighted rating to the bridge or culvert. The State expects those bridges and culverts to be maintained at a rating within the range of 5 or better, which is considered "satisfactory" or better meaning the structural elements are sound but have minor deterioration. The actual weighted average rating for the most recent condition assessment was 6.29, in the upper end of the satisfactory range.

For fiscal years 2025 and 2024, the State estimated it would need to spend $429 million and $595 million respectively, to preserve and maintain all roadway assets, and $176 million and $10 million, respectively, in each year to preserve all bridge assets at or above the "Established Condition Levels" presented above. In fiscal year 2025, the State spent $387 million for roadway preservation and $211 million for bridge preservation. The State spent $406 million for roadway preservation and $208 million for bridge preservation in fiscal year 2024. In the next fiscal year, the Alabama Department of Transportation estimates that it will need to spend approximately $441 million to preserve all roadway assets and approximately $182 million to preserve all bridge assets at or above the "Established Condition Levels" presented above.

More detailed information about the State's capital assets is presented in Note 4 to the financial statements and in the Required Supplementary Information section.

Long-term Debt

The only method under which general obligation debt can be incurred by the State is by amendment to the Constitution of Alabama of 1901. The debt prohibition does not apply to debts incurred by separate public corporations functioning as State instrumentalities. The revenue bonds issued by these corporations are limited obligations of the corporation, not general obligations of the State, and the full faith and credit of the State is not pledged for their repayment. Certain revenues, usually earmarked taxes or revenues generated from the project financed are pledged for the payment of the debt. These corporations are blended with the primary government. The State and its component units issue serial and term bonds. Alabama has traditionally received high bond ratings from both Standard and Poor's Corporation and Moody's Investors Service.

Outstanding Bonded Debt as of September 30

(Amounts in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	$ 407,326	$ 460,059	$ 0	$ 0	$ 407,326	$ 460,059
Revenue Bonds	4,761,868	4,848,194	—	281,378	4,761,868	5,129,572
Total	**$ 5,169,194**	**$ 5,308,253**	**$ —**	**$ 281,378**	**$ 5,169,194**	**$ 5,589,631**

More detailed information about the State's long-term debt is presented in Note 5 to the financial statements and in the Statistical Section.

Economic Factors and Next Year's Budgets and Rates

The General Fund budget increased from fiscal year 2025 to 2026. The Alabama Medicaid Agency and the Department of Corrections received an increase of $224 million and $90 million respectively. The Alabama Trust Fund decreased $4 million.

The total ETF budget for fiscal year 2025 is $11.6 billion. The K-12 Local Boards of Education received an appropriation increase of $165 million for fiscal year 2026 over fiscal year 2025 from the Education Trust Fund. The four-year Universities received a decrease of $26 million. For 2026, the ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund will receive appropriations of $116 million and $745 million respectively.

Total tax collections are up by 2.0 percent for the first four months of fiscal year 2026 as compared to fiscal year 2025. The State's seasonally adjusted unemployment rate, at 2.7 percent in December 2025 is a decrease from the December 2024 rate of 3.3 percent. The number of employed workers increased from December 2024 to December 2025 from 2,360,000 to 2,381,000.

Requests for Information

This financial report is designed to provide a general overview of the State of Alabama's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Office of the State Comptroller, Financial Reporting Section, RSA Union Building, 100 North Union Street, Suite 282, Montgomery, AL 36130-2602.

STATE OF ALABAMA

STATEMENT OF NET POSITION

September 30, 2025

(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
ASSETS				
Cash and Cash Equivalents	$ 12,542,560	$ 1,318,656	$ 13,861,216	$ 3,857,481
Investments	6,535,412	240,718	6,776,130	13,990,888
Internal Balances	31,061	(31,061)	—	—
Due From Primary Government	—	—	—	4,410
Due From Component Units	51,915	16	51,931	—
Investment Sales Receivable	6,013	—	6,013	—
Accounts Receivable	172,100	14,028	186,128	1,775,105
Taxes Receivable	1,642,133	—	1,642,133	—
Due From Other Governments	1,092,823	12	1,092,835	1,069,268
Mortgages, Notes, and Loans Receivable	68	—	68	1,010,948
Lease Receivable	—	—	—	367,584
Securities Lending Collateral	25,701	—	25,701	2,941
Inventory	65,962	51,665	117,627	112,825
Restricted Assets	4,837	—	4,837	642,593
Other Assets	277	46,431	46,708	745,163
Capital Assets, Net of Accumulated Depreciation	2,313,632	93,010	2,406,642	12,856,007
Capital Assets Not Depreciated	23,245,129	2,534	23,247,663	2,360,980
TOTAL ASSETS	**47,729,623**	**1,736,009**	**49,465,632**	**38,796,193**
DEFERRED OUTFLOWS OF RESOURCES	**1,620,321**	**44,622**	**1,664,943**	**4,630,526**
LIABILITIES				
Warrants Payable	40,645	414	41,059	179
Investment Purchases Payable	16,943	—	16,943	—
Due To Primary Government	—	—	—	51,931
Due To Component Units	4,410	—	4,410	—
Accounts Payable	1,455,239	102,671	1,557,910	1,368,320
Due To Other Governments	336,471	7,042	343,513	282,042
Securities Lending Obligation	25,701	—	25,701	2,941
Amounts Held Pending Distribution	—	—	—	—
Unearned Revenue	732,297	1,274	733,571	1,561,873
Amounts Held in Custody for Others	381,173	95	381,268	424,296
Noncurrent Liabilities:				
Due Within One Year	654,630	54,321	708,951	733,912
Due In More Than One Year	11,675,536	261,711	11,937,247	15,408,054
TOTAL LIABILITIES	**15,323,045**	**427,528**	**15,750,573**	**19,833,548**
DEFERRED INFLOWS OF RESOURCES	**772,389**	**20,373**	**792,762**	**3,052,392**
NET POSITION				
Net Investment in Capital Assets	23,029,757	21,822	23,051,579	8,981,005
Restricted for:				
Permanent - Expendable	—	—	—	2,245,048
Permanent - Non-expendable	99,843	—	99,843	3,287,945
Unemployment Compensation	—	1,173,707	1,173,707	—
Alabama Trust Capital	4,205,238	—	4,205,238	—
Economic Development and Regulation	240,745	—	240,745	—
Education	6,216,349	7,614	6,223,963	—
Natural Resources and Recreation	357,488	—	357,488	—
Health	873,063	—	873,063	—
Social Services	635,610	—	635,610	—
Protection of Persons and Property	506,811	—	506,811	—
Transportation	877,074	—	877,074	—
General Government	1,324,012	—	1,324,012	—
Debt Service	441,270	—	441,270	1,179,332
Capital Projects	485,747	—	485,747	123,291
Other Purposes	—	—	—	440,644
Unrestricted	(6,038,497)	129,587	(5,908,910)	4,283,514
TOTAL NET POSITION	**$ 33,254,510**	**$ 1,332,730**	**$ 34,587,240**	**$ 20,540,779**

The Notes to the Financial Statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

		PROGRAM REVENUES		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
Economic Development and Regulation	$ 180,391	$ 128,861	$ 46,519	$ —
Education and Cultural Resources	12,583,272	90,119	1,373,329	11,196
Natural Resources and Recreation	258,661	150,263	95,557	—
Health	11,006,255	538,980	8,204,683	—
Social Services	3,705,572	51,525	2,771,434	47,877
Protection of Persons and Property	2,251,657	529,058	217,592	—
Transportation	1,568,926	261,824	47,718	1,306,187
General Government	2,509,271	744,051	384,000	302
Debt Service - Principal Retirement	305	—	—	—
Debt Service - Interest and Other Charges	168,713	—	—	—
Total Governmental Activities	**34,233,023**	**2,494,681**	**13,140,832**	**1,365,562**
Business-type Activities:				
Unemployment Compensation	75,539	138,192	33	—
State Port Authority	—	—	—	—
Alcoholic Beverage Control Board	484,967	537,008	—	—
Nonmajor Proprietary Funds	207,116	214,483	1,834	49
Total Business-type Activities	**767,622**	**889,683**	**1,867**	**49**
Total Primary Government	**35,000,645**	**3,384,364**	**13,142,699**	**1,365,611**
Component Units:				
University of Alabama	8,432,438	6,385,978	1,205,711	263,280
Auburn University	1,868,851	965,205	469,602	9,948
University of South Alabama	1,932,433	1,594,006	81,185	95,676
Public Education Employees Health Insurance	1,275,516	1,057,744	—	—
Alabama Community College System	1,184,798	182,845	352,811	51,954
Nonmajor Component Units	2,583,826	1,494,496	525,175	107,490
Total Component Units	**17,277,862**	**11,680,274**	**2,634,484**	**528,348**

General Revenues:
- Taxes:
  - Sales and Use Taxes
  - Income Taxes
  - Motor Fuels Taxes
  - Utility Taxes
  - Insurance Premium Tax
  - Property Tax
  - Liquor Taxes
  - Tobacco and Cigarette Taxes
- Payments from State of Alabama
- Grants and Contributions Not Restricted to Specific Programs
- Unrestricted Investment Earnings
- Miscellaneous

Contributions to Permanent Funds and Endowments
Extraordinary Items
Transfers
Total General Revenues, Contributions and Transfers

Change in Net Position

Beginning Net Position
Restatements
Net Position, October 1, 2024, as Restated
Net Position, September 30, 2025

The Notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total Primary Government	Component Units
$ (5,011)	$ 0	$ (5,011)	$ 0
(11,108,628)	—	(11,108,628)	—
(12,841)	—	(12,841)	—
(2,262,592)	—	(2,262,592)	—
(834,736)	—	(834,736)	—
(1,505,007)	—	(1,505,007)	—
46,803	—	46,803	—
(1,380,918)	—	(1,380,918)	—
(305)	—	(305)	—
(168,713)	—	(168,713)	—
(17,231,948)	—	**(17,231,948)**	—
—	62,686	62,686	—
—	—	—	—
—	52,041	52,041	—
—	9,250	9,250	—
—	**123,977**	**123,977**	—
(17,231,948)	**123,977**	**(17,107,971)**	**—**
—	—	—	(577,469)
—	—	—	(424,096)
—	—	—	(161,566)
—	—	—	(217,772)
—	—	—	(597,188)
—	—	—	(456,665)
—	—	—	**(2,434,756)**
4,305,485	—	4,305,485	—
7,623,581	—	7,623,581	—
1,015,452	—	1,015,452	—
652,180	—	652,180	—
712,683	—	712,683	—
594,252	—	594,252	—
265,788	14,710	280,498	—
123,395	—	123,395	—
—	—	—	2,803,731
483,513	—	483,513	161
932,263	—	932,263	1,276,333
1,398,688	(590)	1,398,098	46,816
—	—	—	91,805
—	—	—	—
64,060	(64,060)	—	—
18,171,340	**(49,940)**	**18,121,400**	**4,218,846**
939,392	**74,037**	**1,013,429**	**1,784,090**
32,315,118	1,706,275	34,021,393	18,291,148
—	(447,582)	(447,582)	465,541
32,315,118	1,258,693	33,573,811	18,756,689
$ 33,254,510	**$ 1,332,730**	**$ 34,587,240**	**$ 20,540,779**

STATE OF ALABAMA

BALANCE SHEET
Governmental Funds
September 30, 2025

(Amounts in Thousands)

	General Fund	Education Trust Fund	Alabama Trust	Medicaid Fund
ASSETS				
Cash and Cash Equivalents	$ 2,071,243	$ 2,224,974	$ 5,505	$ 207,200
Investments	—	—	4,244,931	—
Due From Other Funds	17,523	1,217	—	35,498
Due From Component Units	—	—	—	—
Investment Sales Receivable	—	—	4,985	—
Accounts Receivable	23,590	1,425	18,228	—
Taxes Receivable	453,997	559,653	—	—
Due From Other Governments	5	16	—	365,467
Mortgages, Notes, and Loans Receivable	—	—	—	—
Securities Lending Collateral	—	—	18,351	—
Inventory	12,792	—	—	—
Restricted Assets	—	—	—	—
Other Assets	—	—	—	—
TOTAL ASSETS	**$ 2,579,150**	**$ 2,787,285**	**$ 4,292,000**	**$ 608,165**
Deferred Outflows Of Resources	**—**	**—**	**—**	**—**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Warrants Payable	3,049	16,671	—	58
Investment Purchases Payable	—	—	14,364	—
Due To Other Funds	11,041	81,351	102	119,420
Due To Component Units	130	98	—	—
Accounts Payable	79,999	30,316	447	418,402
Due To Other Governments	11,605	8,122	82	725
Securities Lending Obligation	—	—	18,351	—
Amounts Held Pending Distribution	—	—	—	—
Unearned Revenue	15	—	—	—
Amounts Held in Custody for Others	—	—	—	—
Compensated Absences	576	11	—	28
Total Liabilities	**106,415**	**136,569**	**33,346**	**538,633**
Deferred Inflows Of Resources	**195,815**	**—**	**3,110**	**—**
Fund Balances				
Nonspendable:				
Inventory	12,792	—	—	—
Permanent Fund Principal	—	—	—	—
Restricted for:				
Economic Development and Regulation	—	—	—	—
Education and Cultural Resources	—	2,650,716	—	—
Natural Resources and Recreation	—	—	53,415	—
Health	—	—	—	69,532
Social Services	—	—	—	—
Protection of Persons and Property	—	—	—	—
Transportation	—	—	—	—
General Government	—	—	—	—
Capital Projects	—	—	—	—
Debt Service	—	—	—	—
Alabama Trust Capital	—	—	4,202,129	—
Assigned for:				
Economic Development and Regulation	72	—	—	—
Education and Cultural Resources	11	—	—	—
Natural Resources and Recreation	74	—	—	—
Health	5,236	—	—	—
Social Services	299	—	—	—
Protection of Persons and Property	10,297	—	—	—
Transportation	10	—	—	—
General Government	288	—	—	—
Unassigned	2,247,841	—	—	—
Total Fund Balances	**2,276,920**	**2,650,716**	**4,255,544**	**69,532**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 2,579,150**	**$ 2,787,285**	**$ 4,292,000**	**$ 608,165**

The Notes to the Financial Statements are an integral part of this statement.

Public Welfare Trust Fund	ARPA Coronavirus State Fiscal Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 287,477	$ 542,638	$ 7,115,744	$ 12,454,781
—	—	2,025,935	6,270,866
17,410	64,413	272,008	408,069
—	—	51,825	51,825
—	—	1,028	6,013
3	4,132	123,162	170,540
87,314	—	541,167	1,642,131
12,754	—	494,118	872,360
—	—	68	68
—	—	7,349	25,700
—	—	49,100	61,892
—	—	4,836	4,836
—	—	277	277
404,958	**611,183**	**10,686,617**	**21,969,358**
—	**—**	**—**	**—**
3,027	429	17,392	40,626
—	—	2,579	16,943
10,581	499	173,090	396,084
1	—	10	239
87,111	10,973	768,056	1,395,304
6,819	5,480	303,546	336,379
—	—	7,349	25,700
—	—	—	—
79,188	593,802	59,292	732,297
4,890	—	376,087	380,977
192	—	594	1,401
191,809	**611,183**	**1,707,995**	**3,325,950**
64,402	**—**	**415,930**	**679,257**
—	—	49,100	61,892
—	—	99,843	99,843
—	—	171,902	171,902
—	—	3,137,738	5,788,454
—	—	304,072	357,487
—	—	599,413	668,945
148,747	—	422,462	571,209
—	—	506,812	506,812
—	—	875,840	875,840
—	—	1,312,871	1,312,871
—	—	482,747	482,747
—	—	441,269	441,269
—	—	—	4,202,129
—	—	—	72
—	—	7,035	7,046
—	—	—	74
—	—	—	5,236
—	—	—	299
—	—	24,888	35,185
—	—	—	10
—	—	126,700	126,988
—	—	—	2,247,841
148,747	**—**	**8,562,692**	**17,964,151**
$ 404,958	**$ 611,183**	**$ 10,686,617**	**$ 21,969,358**

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

September 30, 2025

(Amounts in Thousands)

Total Fund Balances for Governmental Funds		**$17,964,151**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	536,270	
Historical Exhibits	4,126	
Construction in progress	568,926	
Construction in progress - Infrastructure	2,379,033	
Infrastructure	19,578,971	
Buildings	2,177,349	
Buildings and Office Space - RTU	745,778	
Equipment	925,885	
Intangibles	118,462	
Intangible Assets Under Development	156,152	
Subscription-Based IT	10,013	
Accumulated Amortization - Buildings and Office Space - RTU	(204,337)	
Accumulated Depreciation - Buildings	(930,257)	
Accumulated Depreciation - Equipment	(536,966)	
Accumulated Depreciation - Software RTU	(4,928)	
Accumulated Amortization - Intangibles	(74,972)	
		25,449,505
Some of the State's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		679,256
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information technology, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.		280,805
Long-term loans reported in due from other governments are not collectible in the current period and, therefore, are not reported in the funds.		220,461
Deferred Outflows of Resources and Deferred Inflows of Resources associated with pension related costs and refunding of debt are long-term in nature and, therefore are not reported in the governmental funds.		
Deferred Outflows - pension related	603,375	
Deferred Inflows - pension related	(464,143)	
Deferred Outflows - OPEB related	954,132	
Deferred Inflows - OPEB related	(272,723)	
Deferred Outflows - losses on refunding of debt	41,392	
Deferred Inflows - gains on refunding of debt	(24,792)	
		837,241
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Direct Borrowings	(40,606)	
Lease Payable	(551,205)	
Compensated Absences	(358,278)	
Subscription-based IT	(3,211)	
Claims, Judgments, and Other	(9,290)	
Due to Component Units	(3,704)	
Net Pension Liability	(4,168,910)	
Net OPEB Liability	(1,823,056)	
		(6,958,260)
Long-term bonded debt is not due and payable in the current period and, therefore, is not reported in the funds. Unamortized discounts, unamortized premiums, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Position. This is the total effect of these balances on the statement.		
General Obligation Bonds Payable	(382,685)	
Revenue Bonds Payable	(4,407,959)	
Unamortized Premiums	(379,756)	
Unamortized Discounts	1,206	
Accrued Interest Payable	(49,455)	
		(5,218,649)
Net Position of Governmental Activities		**$ 33,254,510**

The Notes to the Financial Statements are an integral part of this statement.

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	General Fund	Education Trust Fund	Alabama Trust	Medicaid Fund
REVENUES				
Taxes	$ 2,657,155	$ 11,092,196	$ 0	$ 0
Licenses, Permits, and Fees	205,330	208	—	8
Fines, Forfeits, and Court Settlements	17,191	1	—	1,794
Investment Income	518,107	—	416,691	131
Federal Grants and Reimbursements	—	15	—	6,749,880
Other Revenues	1,634	1,020	29,771	841,789
Total Revenues	**3,399,417**	**11,093,440**	**446,462**	**7,593,602**
EXPENDITURES				
Current:				
Economic Development and Regulation	14,205	2,072	—	—
Education and Cultural Resources	10,536	9,101,412	—	—
Natural Resources and Recreation	23,356	7,064	1,689	—
Health	1,117,411	21,189	—	6,729,807
Social Services	24,210	37,881	—	—
Protection of Persons and Property	958,584	25,931	—	—
Transportation	—	—	—	—
General Government	436,183	85,372	12,808	—
Capital Outlay	1,058	—	—	—
Debt Service - Principal Retirement	10,558	6,507	—	1,678
Debt Service - Interest and Other Changes	1,305	669	—	133
Total Expenditures	**2,597,406**	**9,288,097**	**14,497**	**6,731,618**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**802,011**	**1,805,343**	**431,965**	**861,984**
OTHER FINANCING SOURCES (USES)				
Transfers In	243,562	—	122	344,821
Bonds Issued	—	—	—	—
Refunding Bonds Issued	—	—	—	—
Debt Issuance Premiums	—	—	—	—
Insurance Recovery Proceeds	116	16	—	—
Transfers Out	(838,434)	(2,106,749)	(180,488)	(1,139,517)
Leases	25,834	535	—	—
Payments to Refunded Bond Escrow Agent	—	—	—	—
Total Other Financing Sources (Uses)	**(568,922)**	**(2,106,198)**	**(180,366)**	**(794,696)**
Net Change in Fund Balances	**233,089**	**(300,855)**	**251,599**	**67,288**
Beginning Balance, October 1, 2024	2,031,920	2,951,571	4,003,945	2,244
Restatements	—	—	—	—
Fund Balances, October 1, 2024, as Restated	2,031,920	2,951,571	4,003,945	2,244
Increase (Decrease) in Inventory	11,911	—	—	—
Fund Balances, September 30, 2025	**$ 2,276,920**	**$ 2,650,716**	**$ 4,255,544**	**$ 69,532**

The Notes to the Financial Statements are an integral part of this statement.

Public Welfare Trust Fund	ARPA Coronavirus State Fiscal Recovery	Nonmajor Governmental Funds	Total Governmental Funds
$ 282,524	$ 0	$ 2,472,788	$ 16,504,663
226	—	1,277,004	1,482,776
20	—	209,959	228,965
—	—	156,086	1,091,015
2,437,512	480,554	4,594,544	14,262,505
23,059	—	602,006	1,499,279
2,743,341	**480,554**	**9,312,387**	**35,069,203**
—	—	163,610	179,887
—	—	3,425,159	12,537,107
—	—	275,844	307,953
—	191,095	2,901,376	10,960,878
2,967,409	412	661,085	3,690,997
—	45,966	834,064	1,864,545
—	—	2,190,206	2,190,206
979	95,545	1,984,587	2,615,474
—	—	472,606	473,664
19,732	—	708,906	747,381
7,435	—	195,138	204,680
2,995,555	**333,018**	**13,812,581**	**35,772,772**
(252,214)	**147,536**	**(4,500,194)**	**(703,569)**
312,977	—	5,386,558	6,288,040
—	—	250,000	250,000
—		340,590	340,590
—	—	60,616	60,616
148	—	23,935	24,215
(120,154)	(147,536)	(1,700,421)	(6,233,299)
34,585	—	170,187	231,141
—	—	(51,382)	(51,382)
227,556	**(147,536)**	**4,480,083**	**909,921**
(24,658)	**—**	**(20,111)**	**206,352**
173,405	—	8,583,834	17,746,919
—	—	—	—
173,405	—	8,583,834	17,746,919
—	—	(1,031)	10,880
$ 148,747	**$ 0**	**$ 8,562,692**	**$ 17,964,151**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

Net Change in Fund Balances for Governmental Funds		**$206,352**
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay	1,042,948	
Depreciation Expense	(199,131)	
		843,817
In the Statement of Activities, only the gain (loss) on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost, net of accumulated depreciation, of the assets sold.		(7,053)
In the Statement of Activities, the change in the balance of inventories is expensed, whereas in the governmental funds, the change in the balance of inventories is adjusted to nonspendable fund balance.		10,880
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(134,276)
Long-term loans to other governments are expenditures in the governmental funds, and the repayment is revenue in the governmental funds.		
Long-term loans to other governments	167,834	
Repayments of loans	(46,190)	
		121,644
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information technology, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		29,879
Capital asset reassignments for the general government have not been reported in governmental fund financial statements.		
Internal service fund capital assets reassigned to the general government	5	
Internal service fund capital assets reassigned from the general government	(27)	
		(22)
Amortization of deferred losses and gains on refunding of debt reported in the Statement of Activities do not use or provide current financial resources and, therefore, are not reported as expenditures or revenue in the governmental funds.		
Amortization of deferred losses	(23,840)	
Amortization of deferred gains	510	
		(23,330)
Long-term debt proceeds provide current financial resources to governmental funds, which increases long-term liabilities in the Statement of Net Position. Long-term debt principal repayment is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Bond proceeds	(250,000)	
Refunding bond proceeds	(340,590)	
Lease Proceeds	(231,141)	
Debt issuance premiums	(60,616)	
Payments to Refunded Bond Escrow Agent	51,382	
Repayment of bond principal	659,561	
Repayment of direct borrowings principal	1,229	
Repayment of lease principal	86,287	
Accrued interest and debt-related amortization	59,587	
		(24,301)
Increases in long-term liabilities for certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Other post-employment benefits	28,161	
Compensated absences	(575)	
Claims, judgments, and other	301	
Pension Expense	(112,085)	
		(84,198)
Change in Net Position of Governmental Activities		**$ 939,392**

The Notes to the Financial Statements are an integral part of this statement.

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

STATE OF ALABAMA

STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2025

(Amounts in Thousands)

	Business-type Activities - Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Total Enterprise Funds
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 1,197,620	$ 0	$ 78,841	$ 42,195	$ 1,318,656
Investments, Short-term	—	—	—	25,439	25,439
Due From Other Funds	—	—	3	762	765
Due From Component Units	—	—	—	16	16
Accounts Receivable	11,203	—	1	2,823	14,027
Due From Other Governments	12	—	—	—	12
Inventory	—	—	50,014	1,651	51,665
Other Current Assets	—	—	—	46,359	46,359
Total Current Assets	**1,208,835**	**0**	**128,859**	**119,245**	**1,456,939**
Noncurrent Assets					
Investments, Long-term	—	—	—	215,279	215,279
Due From Other Funds	—	—	—	1,186	1,186
Other Noncurrent Assets	—	—	—	72	72
Capital Assets, Net of Accumulated Depreciation	—	—	72,415	20,595	93,010
Capital Assets Not Depreciated	—	—	—	2,534	2,534
Total Noncurrent Assets	**0**	**0**	**72,415**	**239,666**	**312,081**
TOTAL ASSETS	**1,208,835**	**0**	**201,274**	**358,911**	**1,769,020**
DEFERRED OUTFLOWS OF RESOURCES	**—**	**—**	**39,065**	**5,557**	**44,622**
LIABILITIES					
Current Liabilities					
Warrants Payable	—	—	410	4	414
Subscription-based IT Short-term	—	—	—	—	—
Lease Liability	—	—	11,722	207	11,929
Due To Other Funds	57	—	31,765	1,190	33,012
Due To Component Units	—	—	—	—	—
Accounts Payable	34,873	—	65,183	2,611	102,667
Due To Other Governments	103	—	6,935	4	7,042
Claims Payable	—	—	—	41,727	41,727
Unearned Revenue	—	—	—	1,274	1,274
Funds Held in Escrow	95	—	—	—	95
Compensated Absences	—	—	607	58	665
Total Current Liabilities	**35,128**	**0**	**116,622**	**47,075**	**198,825**
Noncurrent Liabilities					
Subscription-based IT Long-term	—	—	—	—	—
Lease Liability	—	—	59,405	2,097	61,502
Claims Payable	—	—	—	39,157	39,157
Compensated Absences	—	—	6,531	974	7,505
Net OPEB Liability	—	—	55,025	5,167	60,192
Net Pension Liability	—	—	82,229	10,911	93,140
Notes Payable	—	—	—	217	217
Total Noncurrent Liabilities	**0**	**0**	**203,190**	**58,523**	**261,713**
TOTAL LIABILITIES	**35,128**	**0**	**319,812**	**105,598**	**460,538**
DEFERRED INFLOWS OF RESOURCES	**—**	**—**	**17,094**	**3,279**	**20,373**
NET POSITION					
Net Investment in Capital Assets	—	—	1,246	20,576	21,822
Restricted for:					
Unemployment Compensation	1,173,707	—	—	—	1,173,707
Education	—	—	—	7,614	7,614
Unrestricted	—	—	(97,813)	227,401	129,588
TOTAL NET POSITION	**$ 1,173,707**	**$ 0**	**$ (96,567)**	**$ 255,591**	**$ 1,332,731**

The Notes to the Financial Statements are an integral part of this statement.

Governmental Activities
Internal Service Funds
$ 87,779
16,539
22,038
90
1,711
—
4,073
—
132,230
248,005
—
—
106,423
2,829
357,257
489,487
21,422
19
846
716
2,955
633
10,468
91
7,734
—
195
554
24,211
586
4,992
94,904
5,645
25,608
63,427
—
195,162
219,373
10,731
101,768
—
—
179,037
$ 280,805

STATE OF ALABAMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Proprietary Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Business-type Activities - Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Total Enterprise Funds
OPERATING REVENUES					
Charges for Goods and Services	$ 0	$ 0	$ 536,753	$ 50,959	$ 587,712
Premiums and Contributions	89,324	—	—	143,891	233,215
Rents and Leases	—	—	—	682	682
Total Operating Revenues	**89,324**	**0**	**536,753**	**195,532**	**821,609**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	—	—	64,780	14,147	78,927
Utilities and Communications	—	—	3,676	288	3,964
Professional Services	—	—	13,464	8,115	21,579
Supplies, Materials, and Operating Expense	—	—	387,329	107,933	495,262
Depreciation	—	—	11,353	1,955	13,308
Claims and Benefits	75,290	—	—	73,309	148,599
Other	—	—	2,225	384	2,609
Total Operating Expenses	**75,290**	**0**	**482,827**	**206,131**	**764,248**
Operating Income (Loss)	**14,034**	**0**	**53,926**	**(10,599)**	**57,361**
NONOPERATING REVENUES (EXPENSES)					
Investment Income	37,959	—	—	17,669	55,628
Taxes	—	—	14,710	—	14,710
Other Nonoperating Revenues	10,909	—	—	2,688	13,597
Grants	33	—	—	1,834	1,867
Interest Expense	—	—	(2,140)	(11)	(2,151)
Other Nonoperating Expenses	(249)	—	(1,737)	(976)	(2,962)
Total Nonoperating Revenues (Expenses)	**48,652**	**0**	**10,833**	**21,204**	**80,689**
Income (Loss) Before Contributions and Transfers	**62,686**	**0**	**64,759**	**10,605**	**138,050**
Capital Contributions	—	—	—	49	49
Transfers In	33	—	60	11,078	11,171
Transfers Out	(9,154)	—	(52,987)	(13,091)	(75,232)
Increase (Decrease) in Net Position	**53,565**	**—**	**11,832**	**8,641**	**74,038**
Beginning Balance, October 1, 2024	1,120,142	447,582	(108,399)	246,950	1,706,275
Restatements	—	(447,582)	—	—	(447,582)
Total Net Position, October 1, 2024, as Restated	1,120,142	—	(108,399)	246,950	1,258,693
Total Net Position, September 30, 2025	**$ 1,173,707**	**$ 0**	**$ (96,567)**	**$ 255,591**	**$ 1,332,731**

The Notes to the Financial Statements are an integral part of this statement.

Governmental Activities
Internal Service Funds
$ 126,111
32,631
21,882
180,624
50,998
17,238
39,946
42,607
8,464
7,959
11,200
178,412
2,212
17,848
—
3,034
—
(293)
(3,013)
17,576
19,788
55
16,175
(6,139)
29,879
250,926
—
250,926
$ 280,805

STATEMENT OF CASH FLOWS
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Business-type Activities - Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash Flows from Operating Activities:					
Receipts from Customer & User Charges	$ 104,545	$ 0	$ 570,380	$ 174,339	$ 849,264
Receipts from Interfund Services	—	—	109	22,199	22,308
Receipts from Operating Grants	249	—	—	1,890	2,139
Receipts from Interfund Reimbursements	1,127	—	—	—	1,127
Receipts from Other Operating Activities	9,098	—	52,064	1,221	62,383
Payments for Goods Held for Resale	—	—	(370,127)	(19,670)	(389,797)
Payments for Other Goods & Services	—	—	(29,563)	(88,150)	(117,713)
Payments for Employees Services	—	—	(66,369)	(11,772)	(78,141)
Payments for Taxes, Fines, Penalties, & Similar Fees	—	—	(1)	—	(1)
Payments for Interfund Services	—	—	(3,836)	(753)	(4,589)
Payments for Other Operating Activities	(15,497)	—	(75,898)	(330)	(91,725)
Payments for Claims	(69,671)	—	—	(33,306)	(102,977)
Net Cash Provided by (Used In) Operating Activities	**29,851**	**0**	**76,759**	**45,607**	**152,217**
Cash Flows from Noncapital Financing Activities:					
Receipts from Noncapital Financing Grants & Donations	1,632	—	—	1,406	3,038
Transfers from Other Funds for Noncapital Financing	—	—	60	11,190	11,250
Payments for Noncapital Financing Grants & Donations	(33)	—	—	—	(33)
Transfers to Other Funds for Noncapital Financing	(9,196)	—	(56,190)	(18,673)	(84,059)
Net Cash Provided By (Used In) Noncapital Financing Activities	**(7,597)**	**0**	**(56,130)**	**(6,077)**	**(69,804)**
Cash Flows from Capital & Related Financing Activities:					
Receipts from Capital Grants & Contributions	—	—	—	49	49
Receipts from Sale of Capital Assets & Insurance Proceeds	—	—	196	—	196
Principal Receipts on Leases	—	—	—	—	—
Interest Receipts on Leases	—	—	—	—	—
Payments to Acquire, Construct, & Improve Capital Assets	—	—	(375)	(3,814)	(4,189)
Principal Paid on Debt, Lease RTU, and Subscription-based IT Liabilities	—	—	(13,740)	(349)	(14,089)
Interest Paid on Debt, Lease RTU, and Subscription-based IT Liabilities	—	—	(2,140)	(11)	(2,151)
Net Cash Provided by (Used in) Capital and Related Financing Activities	**0.00**	**0**	**(16,059)**	**(4,125)**	**(20,184)**
Cash Flows From Investing Activities					
Receipts from Sales & Maturities of Investments	—	—	—	71,763	71,763
Receipts from Interest & Dividends on Investments & Loans	36,689	—	—	922	37,611
Purchase of Investments	—	—	—	(113,851)	(113,851)
Net Cash Provided By (Used In) Investing Activities	**36,689**	**0**	**0.00**	**(41,166)**	**(4,477)**
Net Increase (Decrease) In Cash and Cash Equivalents	**58,943**	**—**	**4,570**	**(5,761)**	**57,752**
Cash Beginning Balance, October 1, 2024	1,138,677	145,453	73,861	47,952	1,405,943
Restatements	—	(145,453)	—	—	(145,453)
Cash Balance as Restated, October 1, 2024	1,138,677	0	73,861	47,952	1,260,490
Cash Balance, September 30, 2025	**1,197,620**	**0**	**78,431**	**42,191**	**1,318,242**
Add: Warrants Payable	—	—	410	4	414
Cash and Cash Equivalents, as Reported on Statement of Net Position	**$ 1,197,620**	**$ 0**	**$ 78,841**	**$ 42,195**	**$ 1,318,656**

The Notes to the Financial Statements are an integral part of this statement.

Governmental Activities	
Internal Service Funds	
$	10,017
	169,886
	—
	—
	456
	(8,742)
	(84,892)
	(47,313)
	—
	(13,777)
	(422)
	(6,627)
	18,586
	—
	19,860
	—
	(7,334)
	12,526
	—
	66
	—
	—
	(11,529)
	(2,537)
	(293)
	(14,293)
	7,073
	272
	(24,340)
	(16,995)
	(176)
	87,936
	—
	87,936
	87,760
	19
$	**87,779**

Continued on next page...

STATEMENT OF CASH FLOWS (Continued from Previous Page)
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Business-type Activities - Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	**$ 14,034**	**$ 0**	**$ 53,926**	**$ (10,599)**	**$ 57,361**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Interest Expense	—	—	—	—	—
Depreciation	—	—	11,353	1,955	13,308
Nonoperating Revenues	9,341	—	14,969	3,373	27,683
Nonoperating Expenses	(125)	—	—	(782)	(907)
Accounts Payable	6,024	—	(114)	128	6,038
Due to Other Funds	(42)	—	259	5,481	5,698
Due from Other Funds	—	—	64	1,330	1,394
Compensated Absences	—	—	(117)	139	22
Due to Other Governments	23	—	(2,358)	(6)	(2,341)
Accounts Receivable	602	—	(1)	(442)	159
Lease Receivable	—	—	—	—	—
Inventory	—	—	340	(333)	7
Unearned Revenue	—	—	(31)	314	283
Other Assets	—	—	—	3,265	3,265
Deferred Outflows of Resources	—	—	(14,857)	(1,920)	(16,777)
Other Liabilities	—	—	—	(26)	(26)
Deferred Inflows of Resources	—	—	(673)	703	30
Due From Other Governments	(6)	—	—	—	(6)
Claims Payable	—	—	—	39,987	39,987
Amortization Expense	—	—	—	—	—
Other Post-employment Benefits	—	—	—	—	—
Net OPEB Liability	—	—	27,123	3,530	30,653
Net Pension Liability	—	—	(13,124)	(490)	(13,614)
Total Adjustments	**15,817**	**0**	**22,833**	**56,206**	**94,856**
Net Cash Provided (Used) by Operating Activities	**$ 29,851**	**$ 0**	**$ 76,759**	**$ 45,607**	**$ 152,217**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Disposals and Other Reductions to Capital Assets	—	—	(7,736)	(1,155)	(8,891)
Capital Asset Reassignments	—	—	—	—	—
Disposals of Capital Assets	—	—	—	—	—
Capital Assets Acquired by Capital Contribution	—	—	—	49	49
Capital Assets Acquired on Account	—	—	450	42	492
Interest Accruals and Other Adjustments	1,270	—	—	7,666	8,936
Unrealized Gains (Losses) in Investment Fair Value	—	—	—	9,133	9,133
Revenue Bond Amortizations and Other Debt Adjustments	—	—	—	—	—
Transfers In (Out)	—	—	3,204	5,582	8,786
Capital Grants and Contributions Receivable	—	—	—	—	—

The Notes to the Financial Statements are an integral part of this statement.

Governmental Activities
Internal Service Funds
$ 2,212
—
8,464
4,612
(705)
1,903
215
(6,470)
274
—
1,243
2,045
—
—
(5,777)
—
2,743
—
1,435
—
—
13,181
(6,789)
—
16,374
$ 18,586
(651)
5
—
55
346
8,099
9,405
—
(2,621)
—

STATE OF ALABAMA

STATEMENT OF FIDUCIARY NET POSITION

Fiduciary Funds

September 30, 2025

(Amounts in Thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and Cash Equivalents	$ 158,289	$ 42,429	$ 308,455
Investments			
Time Deposits	—	—	655
U.S. Treasury Securities	3,348,258	71,179	25,759
U.S. Agency Securities	201,019	100	—
State and Local Government Securities	—	—	4,256
Mortgage Backed Securities	2,144,862	1,852	2,000
Corporate Stocks	32,079,138	10,022	—
Corporate Bonds	3,994,090	3,127	4,495
Real Estate	4,351,277	20	—
Commercial Paper	443,061	319	—
International Stocks	8,265,657	—	—
International Bonds	—	—	24
Guaranteed Investment Contracts	3,500	—	—
Mutual and Money Market Funds	4,616,453	3,141,694	1,279
Other	—	—	21
Receivables			
Employer Contributions Receivable	156,679	—	—
Member Contributions Receivable	79,463	—	—
Investment Sales Receivable	47,000	—	—
Accounts Receivable	193,497	8,285	—
Due From Other Governments	52	—	—
Mortgages, Notes, and Loans Receivable	9,911	—	—
Other Assets	1,632	—	—
Securities Lending Collateral	1,756,742	97	—
Capital Assets, Net of Accumulated Depreciation	94,525	—	—
Capital Assets Not Depreciated	7,620	—	—
TOTAL ASSETS	**61,952,725**	**3,279,124**	**346,944**
DEFERRED OUTFLOWS OF RESOURCES	**21,349**	**0**	**0**
LIABILITIES			
Warrants Payable	—	107	700
Investment Purchases Payable	202,776	—	—
Due To Other Funds	3	4	—
Accounts Payable	11,697	5,319	79,022
Due To Other Governments	63	—	46,617
Claims Payable	23,672	—	—
Securities Lending Obligation	1,756,742	97	—
Amounts Held in Custody for Others	—	2,559	—
Compensated Absences	8,012	28	—
Net OPEB Liability	19,257	—	—
Net Pension Liability	51,628	—	—
TOTAL LIABILITIES	**2,073,850**	**8,114**	**126,339**
DEFERRED INFLOWS OF RESOURCES	**11,417**	**0**	**0**
NET POSITION			
Restricted for:			
Individuals, Organizations, and Other Governments	—	3,271,010	220,605
Pensions	54,640,532	—	—
OPEB	2,105,578	—	—
Other Purposes	3,142,697	—	—
TOTAL NET POSITION	**$ 59,888,807**	**$ 3,271,010**	**$ 220,605**

The Notes to the Financial Statements are an integral part of this statement.

STATE OF ALABAMA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Fiduciary Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Plan members	$ 1,352,224	$ 250,578	$ 0
Employer	2,359,203	—	—
Other Contributions	7,255	—	—
Federal On-Behalf	400	—	—
Capital Contributions	45	—	—
Total Contributions	**3,719,127**	**250,578**	**0**
Investment Earnings			
Investment Interest and Dividends	1,537,737	114,980	1,949
Net Increase (Decrease) in Fair Value of Investments	4,062,242	195,313	4
Securities Lending Income	109,166	13	—
Total Investment Earnings	**5,709,145**	**310,306**	**1,953**
Less:			
Investment Expense	16,950	—	4
Securities Lending Interest and Fees	96,125	102	—
Net Investment Income	**5,596,070**	**310,204**	**1,949**
Other Additions			
Interest from Mortgages and Loans Receivable	802	—	—
Tax Collections for Other Governments	—	—	895,192
Miscellaneous	11,980	56	1,016,012
Total Other Additions	**12,782**	**56**	**1,911,204**
Total Additions	**9,327,979**	**560,838**	**1,913,153**
DEDUCTIONS			
Benefit Payments and Refunds	5,240,530	273,476	990,294
Tax Payments to Other Governments	—	—	895,192
Miscellaneous			
Administrative Expense	95,992	14,194	55
Transfers Out	—	716	—
Total Deductions	**5,336,522**	**288,386**	**1,885,541**
Change in Net Position	**3,991,457**	**272,452**	**27,612**
Beginning Balance, October 1, 2024	55,897,350	2,998,558	192,993
Restatements	—	—	—
Net Position, October 1, 2024, as Restated	55,897,350	2,998,558	192,993
Net Position, September 30, 2025	**$ 59,888,807**	**$ 3,271,010**	**$ 220,605**

The Notes to the Financial Statements are an integral part of this statement.

STATE OF ALABAMA

STATEMENT OF NET POSITION
Component Units
September 30, 2025
(Amounts in Thousands)

	University of Alabama	Auburn University	University of South Alabama	Public Education Employees' Health Insurance	Alabama Community College System
ASSETS					
Cash and Cash Equivalents	$ 1,039,961	$ 503,076	$ 288,510	$ 10,154	$ 792,140
Investments	7,613,550	2,808,452	343,898	191,562	965,777
Due From Primary Government	—	—	—	—	—
Accounts Receivable	942,644	101,751	184,127	46,402	162,383
Due From Other Governments	—	—	—	3,640	—
Mortgages, Notes, and Loans Receivable	447,244	62,616	1,005	—	—
Securities Lending Collateral	—	—	—	—	—
Lease Receivable	5,111	19,537	123,310	—	1,810
Inventory	81,682	10,001	—	—	2,424
Restricted Assets	—	5,235	603,466	—	—
Other Assets	374,258	83,441	60,964	2,822	9,039
Capital Assets, Net of Accumulated Depreciation	5,444,208	2,343,995	1,103,266	—	1,356,851
Capital Assets Not Depreciated	718,055	409,038	223,108	—	276,077
TOTAL ASSETS	**16,666,713**	**6,347,142**	**2,931,654**	**254,580**	**3,566,501**
DEFERRED OUTFLOWS OF RESOURCES	**2,219,407**	**781,085**	**467,915**	**2,687**	**412,418**
LIABILITIES					
Warrants Payable	—	—	—	—	—
Due To Primary Government	49,320	—	—	1,098	—
Accounts Payable	624,427	168,545	193,819	397	88,315
Due To Other Governments	7,156	—	—	528	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	670,397	353,543	68,076	10,927	107,081
Amounts Held in Custody for Others	24,631	23,139	—	—	10,841
Noncurrent Liabilities:					
Due Within One Year	306,751	159,028	73,193	52,936	32,640
Due In More Than One Year	6,558,833	2,590,972	1,402,176	112,026	1,354,775
TOTAL LIABILITIES	**8,241,515**	**3,295,227**	**1,737,264**	**177,912**	**1,593,652**
DEFERRED INFLOWS OF RESOURCES	**1,291,668**	**440,951**	**383,320**	**2,759**	**274,783**
NET POSITION					
Net Investment in Capital Assets	3,565,281	1,700,396	615,148	—	1,325,335
Restricted for:					
Permanent - Expendable	1,789,121	92,383	51,071	—	102,652
Permanent - Non-expendable	1,507,138	1,220,913	269,347	—	9,978
Debt Service	—	—	—	—	16,442
Capital Projects	35,462	40,503	—	—	30,417
Other Purposes	—	4,505	314,889	—	—
Unrestricted	2,455,935	333,349	28,530	76,596	625,660
TOTAL NET POSITION	**$ 9,352,937**	**$ 3,392,049**	**$ 1,278,985**	**$ 76,596**	**$ 2,110,484**

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Component Units	Total Component Units
$ 1,223,640	$ 3,857,481
2,067,649	13,990,888
4,410	4,410
337,798	1,775,105
1,065,628	1,069,268
500,083	1,010,948
2,941	2,941
217,816	367,584
18,718	112,825
33,892	642,593
214,639	745,163
2,607,687	12,856,007
734,702	2,360,980
9,029,603	**38,796,193**
747,014	**4,630,526**
179	179
1,513	51,931
292,817	1,368,320
274,358	282,042
2,941	2,941
351,849	1,561,873
365,685	424,296
109,364	733,912
3,389,272	15,408,054
4,787,978	**19,833,548**
658,911	**3,052,392**
1,774,845	8,981,005
209,821	2,245,048
280,569	3,287,945
1,162,890	1,179,332
16,909	123,291
121,250	440,644
763,444	4,283,514
$ 4,329,728	**$ 20,540,779**

STATEMENT OF ACTIVITIES
Component Units
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	University of Alabama	Auburn University	University of South Alabama	Public Education Employees' Health Insurance	Alabama Community College System
Expenses	**$ 8,432,438**	**$ 1,868,851**	**$ 1,932,433**	**$ 1,275,516**	**$ 1,184,798**
Program Revenues					
Charges for Services	6,385,978	965,205	1,594,006	1,057,744	182,845
Operating Grants and Contributions	1,205,711	469,602	81,185	—	352,811
Capital Grants and Contributions	263,280	9,948	95,676	—	51,954
Total Program Revenues	**7,854,969**	**1,444,755**	**1,770,867**	**1,057,744**	**587,610**
Net (Expense) Revenue	**(577,469)**	**(424,096)**	**(161,566)**	**(217,772)**	**(597,188)**
General Revenues					
Payments from State of Alabama	718,394	463,164	177,039	—	773,816
Grants and Contributions Not Restricted to Specific Programs	161	—	—	—	—
Unrestricted Investment Earnings	708,142	232,078	100,311	14,018	59,191
Miscellaneous	9,294	8,429	—	—	14,652
Contributions to Permanent Funds and Endowments	86,020	254	5,513	—	8
Total General Revenues and Contributions	**1,522,011**	**703,925**	**282,863**	**14,018**	**847,667**
Change in Net Position	**944,542**	**279,829**	**121,297**	**(203,754)**	**250,479**
Beginning Balance	8,408,395	3,112,220	1,171,213	280,350	1,860,005
Restatements	—	—	(13,525)	—	—
Net Position, October 1, 2024, as Restated	8,408,395	3,112,220	1,157,688	280,350	1,860,005
Net Position, September 30, 2025	**$ 9,352,937**	**$ 3,392,049**	**$ 1,278,985**	**$ 76,596**	**$ 2,110,484**

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Component Units	Total Component Units
$ 2,583,826	**$ 17,277,862**
1,494,496	11,680,274
525,175	2,634,484
107,490	528,348
2,127,161	**14,843,106**
(456,665)	**(2,434,756)**
671,318	2,803,731
—	161
162,593	1,276,333
14,441	46,816
10	91,805
848,362	**4,218,846**
391,697	**1,784,090**
3,458,965	18,291,148
479,066	465,541
3,938,031	18,756,689
$ 4,329,728	**$ 20,540,779**

For the Fiscal Year Ended September 30, 2025

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For the Fiscal Year Ended September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the State of Alabama (the primary government) and its component units. Component units are legally separate organizations ("public corporations") for which the primary government is financially accountable. Generally, the primary government is financially accountable if it appoints a voting majority of the organization's board and it can either 1) impose its will on the organization, or 2) there is a financial benefit / burden relationship. If the primary government does not control the board, it may be financially accountable if the organization is fiscally dependent on the State. Organizations making up the primary government and its component units are summarized in the following paragraphs.

1. Primary Government

All state departments, agencies, elected officials, boards, commissions, authorities, committees, halls of fame, educational institutions, and other state organizations (hereafter referred to as "agencies") which are not legally separate are, for financial reporting purposes, part of the primary government. All agencies and funds that operate from within the State Treasury, except those listed later as component units, are part of the primary government. The following non-Treasury agencies operate largely independent of the control of the State Comptroller, State Auditor, and State Treasurer, but lack the corporate powers to make them legally separate and are therefore part of the primary government:

- Alabama Fire College
- Alabama School of Cyber Technology and Engineering
- Alabama Technology Network
- Aviation Hall of Fame
- Cahawba Advisory Committee
- Dental Examiners Board
- Dental Scholarships Awards Board
- Firefighters Annuity and Benefit Board
- Alabama Industrial Development and Training Institute
- Medical Examiners and Licensure Commission
- Motor Sports Hall of Fame
- Optometric Scholarships Awards Board
- Optometry Board
- Pharmacy Board
- Pilotage Commission
- Podiatry Board
- School of Fine Arts
- St. Stephens Historical Commission
- Women's Hall of Fame
- 911 Board

2. Blended Component Units

Blended component units are legally separate but they either exist solely to provide services (usually financing) exclusively to the State, or their debt is expected to be paid using primary government resources. Because of this close relationship, they are blended with and reported as though they are a part of the primary government. All references in the financial statements or elsewhere in these notes to the term "primary government" will encompass both the primary government and the blended component units.

The following blended component units were created for the purpose of financing State capital expenditures. Each issues revenue bonds that are limited obligations of the component unit. Their boards consist of state officials and specific state revenues are pledged for bond repayment. Those marked with a † are currently inactive and had no financial balances or activity in the past fiscal year.

- Agriculture Markets and Coliseum Authority †
- Corrections Institution Finance Authority
- Mental Health Finance Authority
- Federal Aid Highway Finance Authority †
- Highway Authority †
- Highway Finance Corporation
- Industrial Access Road and Bridge Authority †
- Toll Road, Bridge and Tunnel Authority †
- Judicial Building Authority †
- Alabama Trade School and Junior College Authority †
- Gulf State Park Authority †

The Building Renovation Finance Authority has the same characteristics as those in the previous paragraph, but has the added responsibility of operating, maintaining, and renting buildings in the capitol complex that are occupied by state departments.

The following blended component units were created primarily for the purpose of financing capital grants and loans. These grants and loans are made to local school systems for building and equipping school buildings, or to local industrial development boards, or to industries locating in or expanding in the State. Each issues revenue bonds that are limited obligations of the component unit. Their boards consist of a majority of state officials and specific state revenues are pledged for bond repayment. Those marked with a † are currently inactive and had no financial balances or activity in the past fiscal year.

- Alabama Public School and College Authority
- Alabama Incentives Financing Authority
- Alabama Twenty-first Century Authority †
- State Industrial Development Authority
- Revolving Loan Fund Authority
- Tennessee Valley Exhibit Commission †

The Department of Mental Health provides mental health services to the people of Alabama. The Governor of the State and the commissioner of the Department constitute a public corporation and are advised by a sixteen-member board of trustees. The commissioner and ten of the board members are appointed at the discretion of the Governor. All of the department's debt is repaid with resources of the primary government.

The Public Historical Sites and Parks Improvement Corporation issues bonds and uses the proceeds to renovate, improve, maintain, and construct State owned public historical sites and parks not under the jurisdiction of the Department of Conservation and Natural Resources as well as non-State owned public historical sites and parks. The six members of the Corporation are state officials. The debt is repaid entirely with resources of the primary government.

The State Parks System Improvement Corporation renovates, improves, maintains, and constructs assets belonging to the State Parks System. The six members of the Corporation are state officials. The debt of the Corporation is repaid entirely with resources of the primary government.

The Tombigbee Valley Development Authority consists of six state officials who oversee the development and improvements along the Tombigbee River. The debt of the Authority is repaid entirely with resources of the primary government.

The Coosa Valley Development Authority oversees developments and improvements along the Coosa River. Six of the seven members of the Authority are state officials. The debt of the Authority is repaid entirely with resources of the primary government.

The Forensic Science Bond Authority has the power to acquire, construct, and equip laboratories and other facilities for the State Department of Forensic Sciences. The four members of the Authority are state officials. The Authority had no financial activity in the past fiscal year.

The Alabama State Parking Deck Authority has the authority to sell bonds, operate, maintain, and rent space in a parking deck on a block in the capitol complex. The members of the Authority are State officials and the debt will be repaid with State resources.

The Educational Television Foundation Authority raises and manages money and property solely for the benefit of the Alabama Educational Television Commission, a State agency. The Authority consists of thirteen members who are appointed by the Alabama Educational Television Commission. The Authority provides fund raising and promotion flexibility that the Commission, as part of the primary government, would not otherwise have.

The Public Health Care Authority was created solely to build, furnish, and maintain facilities for the use of the Department of Public Health, a State agency, financing those facilities with debt issuances which are backed by leases with the Department. Three of the seven board members are state officials but the remaining board members are not appointed by the State and the Authority is not fiscally dependent on the State. The Authority is included in these financial statements because it would be misleading to exclude them due to the close relationship with the State.

The Alabama Economic Settlement Authority was created to issue bonds for the purpose of making payments to the Alabama Trust Fund, for additional funds to the Medicaid Agency, for transportation projects, and to appropriate and pledge a portion of revenues received by the State from the settlement of certain claims against BP Exploration and Production, Inc. (and its corporate affiliates) as the source of payment of the bonds. The bonds issued by the Authority are limited obligations of the Authority. The six members of the Authority are state officials.

3. Discretely Presented Component Units

Discretely presented component units are organizations, which are legally separate and do not exist to provide services exclusively to the primary government. Providing services to the citizens of the state is not considered the same as providing services to the primary government institution. Financial information for discretely presented component units is segregated on the financial statements and the notes in the "Component Unit" columns in order to emphasize that they are legally separate.

Most of the discretely presented component units have boards that are controlled by the primary government through the appointment of a majority of the board members. The State has been determined to be financially accountable for each organization because it can impose its will on each organization. Unless otherwise noted, financial accountability for each organization described below exists at least in the ability of the State to modify the component unit's budget. Other manifestations of financial accountability may also exist.

For discretely presented component units whose boards are not controlled by the State, the organization has been determined to be fiscally dependent on the State. Unless otherwise noted, fiscal dependency exists at a minimum in the State's ability to modify the component unit's budget. Other manifestations of fiscal dependency may also exist.

When audited financial statements for a discretely presented component unit exist, the address at which such financial statements can be obtained is included in the following paragraphs describing each component unit. For all other discretely presented component units, complete financial statements may be obtained from the State of Alabama, Office of State Comptroller, RSA Union Building, Suite 298, Montgomery, AL 36130-2602.

The Water Pollution Control Authority operates a revolving loan fund to aid municipalities in financing the construction of wastewater treatment facilities. A five-member board of directors made up of ex officio members governs the Authority. Audited financial statements of the Authority may be obtained from the Alabama Department of Environmental Management, 1400 Coliseum Boulevard, Montgomery, AL 36130.

The Alabama Drinking Water Finance Authority operates a revolving loan fund to aid local governments in financing the construction of sanitary drinking water facilities. A five-member board of directors made up of ex officio members governs the

Authority. Audited financial statements of the Authority may be obtained from the Alabama Department of Environmental Management, 1400 Coliseum Boulevard, Montgomery, AL 36130.

The Crime Victims Compensation Commission awards compensation for economic losses arising from criminal conduct and works to change laws to benefit crime victims. The Commission consists of three members who are appointed by the Governor.

The Alabama Education Foundation encourages donations of money for local school systems and invests the money for the benefit of each local system. The Foundation is governed by a twelve-member board that is made up of state officials and other individuals appointed by state authorities.

The Supercomputer Authority operates a supercomputer for the use of educational and governmental research institutions, private businesses, and individuals. The twenty directors of the Authority are appointed by state officials.

The Public Education Employees' Health Insurance Board operates a health insurance plan for employees of public school systems, state junior colleges, colleges, universities, and related education administrative employees. The State does not appoint a majority of the Board but the Board is fiscally dependent on the State. Audited financial statements of the Board may be obtained at 201 South Union Street, Montgomery, AL 36104-0001.

The State Employees' Insurance Board operates health insurance plans for state employees. The State does not appoint a majority of the Board but the Board is fiscally dependent on the State. Audited financial statements of the Board may be obtained at Suite 200, 201 South Union Street, Montgomery, AL 36104.

The Alabama Community College System (ACCS), operates a system of community colleges within the State. ACCS is governed by a board of trustees consisting of the Governor and nine members appointed by the Governor. There are other legally separate foundations that are component units of the ACCS community colleges. These organizations exist to raise funds to benefit a specific college. ACCS does not control the timing or amount of receipts from these foundations, and the majority of resources that the foundations hold and invest are restricted to benefit the activities of ACCS by the donors. The ACCS foundations include: The Bevill State Community College Foundation, Inc., Jefferson Davis Community College Foundation, J. F. Drake Foundation, Jefferson State Community College Foundation, Lurleen B. Wallace Community College Foundation, Northeast Alabama Community College Foundation, Reid State Technical College Foundation, Shelton State Community College Foundation, Inc., Southern Union Foundation, Trenholm Tech Foundation, Inc., George C. Wallace Foundation, Wallace Community College Selma Foundation, Alabama Southern Community College Foundation, Gadsden State Cardinal Foundation, Lawson State Community College Foundation, Douglas MacArthur State Technical College Foundation, Snead State Community College Foundation, Inc., James H. Faulkner State Community College Foundation, Gadsden State Alumni Association, Walker College Foundation, John C. Calhoun Community College Foundation, Enterprise State Community College Foundation, Marion Military Institute Foundation, and Gadsden State Community College Band Boosters, Inc.

The Alabama State Port Authority, a Non-major component unit of the State of Alabama created in 2000 pursuant to the provisions of Title 33 of the Code of Alabama 1975, as amended, owns, and manages certain operations at the Port of Mobile, Alabama's seaport. The Legislature created the Authority to promote, develop, construct, maintain, and operate all harbors and seaports within the State or its jurisdiction, including the inland waterways program of the State. The Authority is a self-supporting entity whose finances are accounted for separately and apart from those of the State, with the Authority functioning much in the manner of an enterprise operation. The Authority serves all 67 counties in the State of Alabama and oversees the deep-water public port facilities at the Port of Mobile. The Governor of the State of Alabama appoints eight members to the Board of Directors of the Authority, subject to confirmation by the Senate of the State of Alabama, for staggered five-year terms. Per statute, the Governor must appoint two board members from each of three regions, including the Central Region, Northern Region, and Southern Region, plus two At-Large (anywhere in the state) members. In addition, one ex-officio member, either the Mayor of the City of Mobile or the President of the Mobile County Commission, on a one-year rotating basis, serves as the ninth member of the Board. The Board of Directors appoints the Director of the Authority. The Director serves as the chief executive officer of the Authority and as such is responsible for managing the affairs of the Authority.

The boards of the four-year colleges of the State, except for the University of Alabama, are appointed by the State. Those colleges are: Alabama A&M University, Alabama State University, Athens State University, Auburn University, Jacksonville

State University, University of Montevallo, University of West Alabama, University of North Alabama, University of South Alabama, and Troy University. The University of Alabama board of trustees is not controlled by the State, but the University is subject to budgetary control by the State. The Crimson Tide Foundation, UAB Research Foundation, Triton Health Systems, LLC, Alabama Care Plan, UAB Hospital Management, LLC, and UAB Athletics Foundation are blended component units of the University of Alabama and are therefore included in all amounts reported for the University. The University of South Alabama (USA), includes the Professional Liability Trust Fund, the General Liability Trust Fund, USA Healthcare Management, LLC, Jaguar Realty, LLC, Jaguar Athletic Fund, USA Foundation for Research and Commercialization, USA Health Physician Billing Services, LLC, USA Health Hospital Billing Services, LLC, USA Health Anesthesia Billing Services, LLC, USA Health Reference Lab Billing Services, LLC, USA Health MCI Business Services, LLC, USA Health Children's and Women's Provider Based Clinics, LLC, Providence Medical Network IPA, LLC, USA Health Rehabilitation Services, LLC, and USA Health Community Providers, LLC as blended component units.

In addition to the blended component units, there are other legally separate, tax exempt organizations that are discretely presented component units of the universities. These organizations generally exist to raise funds to benefit a specific university. Although the university may not control the timing or amount of receipts from these foundations, the majority of resources that the foundations hold and invest are restricted to benefit the activities of the universities by the donors. Because the resources are held for the benefit of the universities, the foundations are considered discretely presented component units of the universities and are included in each of the universities' financial statements. For the University of Alabama, the University's discretely presented component units are the National Alumni Association of the University of Alabama, the Capstone Foundation, the 1831 Foundation, the Capstone Health Services Foundation, the University of Alabama Law School Foundation, the Donor Advised Fund, Southern Research Institute, and the University of Alabama Huntsville Foundation. For Alabama State University, the Alabama State University Foundation, Inc. and the Trust for Educational Excellence at Alabama State University are component units. For Auburn University, the University's component units are the Auburn University Foundation, Tigers Unlimited Foundation, Auburn Alumni Association, and Auburn Research and Technology Foundation. The University of Montevallo Foundation is a component unit of the University of Montevallo and is included in the amounts reported for Montevallo. The University of South Alabama has five component units, the University of South Alabama Foundation, the USA Research and Technology Corporation, the University of South Alabama Health Care Authority, the Providence Foundation, and the Gulf Coast TotalCare. The Troy University Foundation is a component unit of Troy University. Jacksonville State University's component unit is Jacksonville State University Foundation, Inc. For the University of North Alabama, the University of North Alabama Foundation is a component unit and is included in the amount reported for North Alabama. Alabama A&M University has two component units - The Alabama A&M University Foundation, Inc. and the Trust for Educational Excellence at Alabama A&M University. For Athens State University, the Athens State University Foundation is a component unit. The University of West Alabama Foundation is a component unit of The University of West Alabama.

Complete financial statements for the universities which are audited by other auditors may be obtained at the following addresses: Chief Fiscal Officer, University of South Alabama, Business Office AD 380, Mobile, AL 36688-0002; Office of the Vice President for Business and Finance, Alabama A&M University, 105 Patton Building, Normal, AL 35762; Vice President for Financial Affairs, University of Alabama at Tuscaloosa, P.O. Box 870142, Tuscaloosa, AL 35487-0142; Office of Accounting and Financial Reporting, The University of Alabama in Huntsville, 301 Sparkman Drive, Huntsville, AL 35899; Office of the Vice President for Financial Affairs and Administration, University of Alabama at Birmingham, AB 1030, 1720 2nd Avenue South, Birmingham, AL 35294-0106; Controller, Auburn University, 126 Ingram Hall, Auburn University, AL 36849-5161; Controller, University of Montevallo, Station 6060, Montevallo, AL 35115-6000; Vice President for Business and Finance, Alabama State University, 915 S. Jackson Street, Montgomery, AL 36104; Vice President for Financial Affairs, Athens State University, 300 North Beaty Street, Athens, AL 35611; Vice President for Administrative and Business Affairs, Jacksonville State University, 700 Pelham Road North, Jacksonville, AL 36265-1602; Comptroller, University of West Alabama, UWA Station 2, Livingston, AL 35470; Vice President for Business and Financial Affairs, University of North Alabama, Bibb Graves Hall Room 103, Florence, AL 35632-0001; Senior Vice Chancellor for Finance and Business, Troy University, Adams Administration Building Suite 159, Troy, AL 36082.

The Alabama Institute for the Deaf and Blind (AIDB) is an educational institution governed by a fifteen-member board, thirteen of whom are appointed by the Governor. The Alabama Institute for Deaf and Blind Foundation, Inc. is a component unit of AIDB and is included in the amount reported.

The Marine Environmental Sciences Consortium provides educational programs in marine sciences for the graduate and undergraduate level and conducts research in marine sciences. The board of directors is composed of the chief executive officers of the member institutions.

The U.S.S. Alabama Battleship Commission consists of eighteen members appointed by the Governor. The Commission operates a memorial park centered near the historic battleship.

The fourteen-member board of directors of the Housing Finance Authority is appointed by various state officials. The Authority sells bonds and uses the proceeds to make it possible for lenders to make low interest rate mortgages available to low income home buyers. The primary government does not affect the Authority's budget, but the legislature has historically limited the Authority's ability to issue bonds. Audited financial statements may be obtained from the Authority, P.O. Box 242967, 7460 Halcyon Pointe Drive, Suite 200, Montgomery, AL 36124-2967.

The Alabama Historic Ironworks Commission operates an historic park based on one of the State's early iron works. Fourteen of the eighteen members of the commission are appointed by the Governor. Part of the Commission's budget is subject to State control.

The Space Science Exhibit Commission operates the Alabama Space and Rocket Center along with the Space Camp. All eighteen members of the Commission are appointed by the Governor and part of the Commission's budget is subject to State approval. Audited financial statements may be obtained from the Commission at the Alabama Space and Rocket Center, P. O. Box 070015, 1 Tranquility Base, Huntsville, AL 35807-7015.

The Historical Commission is responsible for the preservation of historic sites, buildings, and objects. The twenty-member Commission is not controlled by the State, but the Commission's budget is subject to State control.

The Choctawhatchee Pea and Yellow Rivers Watershed Management Authority develops and executes plans for water conservation and usage, flood control and prevention, water pollution control, wildlife habitat protection, and erosion control within the boundaries of the Authority. The directors of the Authority are elected by local residents, but the Authority is subject to State budgetary control.

The Agricultural Museum Board exists to preserve and exhibit agricultural artifacts. The Board is not controlled by the State, but it is subject to State budgetary control.

The Music Hall of Fame operates a public exhibit displaying music memorabilia in honor of Alabamians who have made a lasting contribution to music. The Hall has both an independent board and is fiscally independent of the State. The Hall is included in these financial statements because it would be misleading to exclude. The State has some limited budgetary influence and the State funded the construction of the Hall's facilities with a general obligation bond issue.

The Historic Blakeley Authority preserves the historic site of the town of Blakeley and operates a park on the site. The Authority has both an independent board and is fiscally independent of the State. The Authority is included in the reporting entity because the State has some limited budgetary influence and the State provides the majority of the Authority's funding.

The Agricultural Development Authority promotes development of agriculture in the State by making low interest loans available to persons engaged in agricultural operations. The seven-member board is made up of three state officials and four other persons appointed by the State.

The Red Mountain Greenway and Recreational Area Commission is responsible for preserving, restoring, and promoting as a Greenway, recreational area, or historic site certain land in Birmingham which played an important role in the steel industry of the State. The fifteen member Commission is not controlled by the State, but the Commission is fiscally dependent on the State.
The Alabama Transportation Infrastructure Bank has been created to provide loans and other financial assistance to local governments for constructing and improving highway and transportation facilities. The seven-member board is made up of two state officials and five other persons appointed by the State. This component unit has not commenced operations.

4. Fiduciary Component Units
Component units that are fiduciary in nature are required by GAAP to be reported with the fiduciary funds of the primary government rather than as discretely presented component units. In accordance with GAAP, primary government fiduciary funds and component units that are fiduciary in nature are excluded from the government-wide financial statements.

The Employees' Retirement System (ERS), a discretely presented component unit, operates several pension (and other employee benefit) trust funds for the benefit of state and local governmental employees. The ERS is governed by a thirteen-member board of control, seven of whom are either primary government officials or appointees of the Governor.

The Teachers' Retirement System (TRS), a discretely presented component unit, operates a pension plan for the benefit of all employees of public education institutions throughout the State. It is governed by a fifteen-member board, ten of whom are elected from among the member employees. The administrative budget of TRS is subject to approval by the State. Audited financial statements for the TRS and ERS may be obtained from the RSA at 201 South Union Street, P.O. Box 302150, Montgomery, AL 36130-2150.

5. Excluded Organizations
Other entities have been examined but failed to meet the criteria for inclusion in the State's reporting entity. City and county boards of education are legally separate organizations whose boards are not controlled by the State. They are fiscally dependent on both the State and local government. It is more appropriate that they be included in a local government's reporting entity.

The Local Government Health Insurance Board, Elk River Development Agency, Bear Creek Development Authority, Cahaba Trace Commission, and North Alabama Agriplex Board are legally separate organizations whose boards are not controlled by the State nor are they fiscally dependent on the State. All five of these organizations are excluded. The many local soil and water conservation districts are legally separate organizations which have independent boards and are fiscally independent. In keeping with their independence, they are excluded from this report.

6. Sources of Information
The majority of state organizations, whether primary government or component unit, conduct their financial operations from the State Treasury through the State's central accounting system under the supervision and review of the State Comptroller, State Treasurer, and State Auditor. The source of information on these agencies is the State's central accounting system. For these agencies, the recording of cash, warrants payable, encumbrances, salaries payable, compensated absences, most investments, most short-term payables, most revenues, and most expenditures/expenses are controlled by the State Comptroller and/or the State Treasurer and are therefore subject to extensive scrutiny. Accruals of revenues, a few accruals of expenditures/expenses, and all other accounts, such as depreciation, capital assets, inventories, and capital leases, generally are based on data provided by the individual agencies. The data provided by the agencies are reviewed and recorded once a year and are believed to be materially correct even though they are not generally subject to extensive scrutiny by the State Comptroller, State Treasurer, or State Auditor.

There are some organizations and funds which meet the criteria for inclusion as part of the reporting entity even though they have the authority to conduct their financial operations through bank accounts and accounting systems outside the State Treasury, independent of the direct daily control of the State Comptroller, State Treasurer, and State Auditor. These non-Treasury agencies are included in the financial statements based on information provided to the State Comptroller once a year by the agency or the agency's auditors. Whenever possible, the non-Treasury agencies are reported as they appear in the information submitted to the State Comptroller. However, corrections or modifications have been made whenever required to comply with generally accepted accounting principles or wherever necessary to ensure consistent statewide report presentation.

The following non-Treasury agencies and funds are included in this report:

a. Primary Government
- Alabama College Education Savings Trust Fund
- Alabama Deferred Compensation Plan
- Alabama Health Insurance Plan
- Alabama Industrial Development Training Institute

- Alabama School of Cyber Technology and Engineering
- Alabama School of Fine Arts
- Alabama Fire College
- Alabama Technology Network
- Attorney General Outside Accounts
- Aviation Hall of Fame
- Blind Vendors Fund
- C.C. Smith Trust Fund
- Cahawba Advisory Committee
- Charlotte Thorn Endowment Fund
- Corrections Bank Accounts and Custodial Funds
- Corrections Canteen Funds
- Court System Local Accounts
- Dental Examiners Board
- Dental Scholarships Awards Board
- Department of Human Resources Local Funds
- Educational Television Foundation Authority
- Geological Survey Library Revolving Fund
- High School of Math and Science
- Insurance Department Statutory Deposits
- Insurance Department Receivership
- Medicaid Agency Lien Account
- Medical Scholarships Awards Account
- Medical Examiners and Licensure Commission
- Men's Hall of Fame Outside Account
- Military Department Unit Funds
- Motor Sports Hall of Fame
- National Guard Canteen Funds
- Optometry Board
- Optometric Scholarships Awards Board
- Peace Officers Annuity and Benefit Investment Account
- Pharmacy Board
- Pilotage Commission
- Podiatry Board
- Presiding Circuit Judges and Clerks Judicial Administration Funds
- Public Health Care Authority
- Public Health Local Funds
- Public Safety Narcotics Funds
- Sports Hall of Fame Checking Account
- St. Stephens Historical Commission
- State Bar Checking Account
- State Bar Client Security
- State Bar Foundation
- State Port Authority Hourly Pension Plan
- State Port Authority Railway Pension Plan
- State Port Authority Hourly Defined Contribution Plan
- Stonewall Jackson Memorial Fund
- Supreme Court Checking Account
- Supreme Court Law Library Checking Account
- Unemployment Compensation Funds
- Victims Services Fund
- W.V. Chambliss Trust Fund
- Wireless 911 Board

- Women's Hall of Fame
- Youth Service Student Accounts and Local Funds

b. Discretely Presented Component Units
- Alabama Agricultural and Mechanical University
- Alabama Agricultural Development Authority
- Alabama Community College System
- Alabama Drinking Water Finance Authority
- Alabama Historic Ironworks Commission
- Alabama Housing Finance Authority
- Alabama Institute for Deaf and Blind
- Alabama State Port Authority
- Alabama State University
- Athens State University
- Auburn University
- Historic Blakeley Authority
- Crime Victims Compensation Fund
- Jacksonville State University
- Marine Environmental Sciences Consortium
- Mental Health Capital Projects - Bank Account
- Music Hall of Fame
- Red Mountain Greenway and Recreational Area Commission
- Space Science Exhibit Commission and Space Science Exhibit Finance Authority
- Troy University
- U.S.S. Alabama Battleship Commission
- University of Alabama in Birmingham
- University of Alabama in Huntsville
- University of Alabama System Office
- University of Alabama in Tuscaloosa
- University of Montevallo
- University of North Alabama
- University of South Alabama
- University of West Alabama
- Water Pollution Control Authority

B. Government-Wide and Fund Financial Statements

1. Government-Wide Financial Statements
Government-wide financial statements include two basic financial statements: the Statement of Net Position and the Statement of Activities. The two statements report the State's governmental activities separately from its business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds and fiduciary-type component units are excluded from the government-wide financial statements.

The Statement of Net Position presents the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Net Position is reported in three categories:

- Net Investment in Capital Assets consists of capital assets less accumulated depreciation, plus capital-related deferred outflows of resources, less capital-related deferred inflows of resources, and less outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

- Restricted Net Position results when constraints placed on net position are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position consists of net position that does not meet the definition of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are reported as general revenue.

2. Fund Financial Statements
Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with nonmajor funds being combined into a single column.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

1. Measurement Focus and Basis of Accounting
These financial statements are reported in conformity with generally accepted accounting principles (GAAP) unless otherwise noted on the face of the statement or in the Notes to the Financial Statements. GAAP basis reporting differs considerably in some ways from the budgetary and cash basis accounting under which the State budgets and operates.

a. Accrual Basis
Under GAAP, the government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recognized and recorded when earned and expenses are recorded when a liability is incurred for exchange and exchange-like transactions, regardless of the timing of cash flows. For nonexchange transactions, revenues and expenditures and related assets and liabilities are recognized as required by GASB Statement No. 33, as amended by GASB Statement No. 65. For derived nonexchange transactions, receivables and revenues are recognized when the underlying exchange has occurred. For imposed nonexchange transactions, receivables are recognized when an enforceable legal claim has arisen. Revenues are recognized when resources are required to be used or the first period that use is permitted.

Property taxes are recognized as revenues in the year for which they are levied. For government mandated nonexchange revenues such as grants, GAAP require the recognition of assets, revenues, liabilities, and expenditures when all eligibility requirements have been met. Resources received before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred inflows of resources.

Proprietary funds report operating revenues and expenses separately from non-operating items. Operating items generally result from producing and delivering goods and services that are a normal part of the primary business of the fund. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

b. Modified Accrual Basis
Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Recognition criteria are different for exchange and nonexchange transactions.

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State generally considers tax revenues and court settlements to be available if they are collected within sixty days of the end of the fiscal period. Revenues that the State earns by incurring obligations are recognized in the period when all applicable eligibility requirements have been met and the resources are available. The State considers revenues earned by incurring obligations to be available if they are collected within sixty days of the end of the fiscal period.

For exchange and exchange-like transactions in governmental fund financial statements, revenues are recognized when measurable and available to finance operations during the year or if available to liquidate liabilities existing at the end of the year. Expenditures are recognized when the related fund liability is incurred, except for items that are not expected to be liquidated with expendable available resources, such as debt service, the long-term portion of compensated absences payable, and claims and judgments. The State uses sixty days after fiscal year end as the availability criteria for the recognition of revenues in governmental funds. However, changes in fair value of investments are recognized as revenue immediately.

For nonexchange transactions, revenues and expenditures and related assets and liabilities are recognized as required by GASB Statement No. 33, as amended by GASB Statement No. 65. For income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, gasoline taxes, motor fuels tax, electric public utility tax, and other derived nonexchange transactions, revenues are recognized when the underlying exchange has occurred and the resources are available. For property taxes, business privilege tax, and other imposed nonexchange transactions, receivables are recognized when an enforceable legal claim has arisen. Revenues are recognized when resources are required to be used or the first period that use is permitted and the resources are available. For property taxes, revenues are recognized if received within sixty days; otherwise, deferred inflows of resources are reported. For federal grants and other government mandated nonexchange revenues, assets, revenues, liabilities, and expenditures are recognized when all eligibility requirements have been met and (for revenues) resources are available. Deferred inflows of resources are reported until the revenue becomes available. For reimbursement-type federal grants, eligibility requirements are met when recipients incur allowable costs, not when those costs are submitted for reimbursement.

Material accruals are for income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, gasoline taxes, motor fuels tax, electric public utilities tax, property taxes, business privilege tax, nursing facility tax, pharmaceutical services tax, federal grants, oil and gas royalties, investment sales receivables, and interest.

2. Financial Statement Presentation

a. Major Funds

The State reports six major governmental funds. The **General Fund** is the State's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The **Education Trust Fund** accounts for the revenues collected for the support, maintenance, and development of public education in Alabama. General sales and uses taxes, income taxes, and utilities taxes are the primary revenues restricted to this fund. The **Alabama Trust Fund** consists of income from the sale or lease of rights for offshore exploration and drilling for oil and gas off the Alabama coast. Investment income earned on the trust balance is used to support the General Fund, Forever Wild Land Trust, and a variety of capital projects and debt service. **Medicaid** accounts for the portion of the Medicaid program that is funded by Federal revenues and Medicaid provider taxes. The **Public Welfare Trust Fund** accounts for the administration of a broad range of social and protective services programs that provide financial assistance to individuals. Revenues restricted to the fund include federal revenues, property taxes, and liquor and wine taxes. The **ARPA Coronavirus State Fiscal Recovery Fund** was created in response to the American Rescue Plan Act (ARPA) to provide COVID related relief and economic stimulus.

The State reports two major enterprise funds. The **Unemployment Compensation Trust** accounts for the activities of the federal unemployment insurance program including employer contributions, Federal Unemployment Trust advances, and benefit claims to the unemployed. The **Alcoholic Beverage Control Board** was created to control alcoholic beverages through distribution, licensing, and enforcement.

b. Nonmajor Funds

The State reports a number of nonmajor governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund Types:

Special Revenue Funds account for the proceeds of specific revenue resources that are restricted or committed to specified purposes other than debt service or capital projects. Examples include public health, education, and corrections.

Debt Service Funds account for financial resources that are restricted, committed or assigned to expenditures for governmental debt principal and interest.

Capital Projects Funds account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition, construction, and improvement of major general governmental capital assets.

Permanent Funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry.

Proprietary Fund Types:
Enterprise Funds report the activities for which fees are charged to external users for goods or services such as health insurance.

Internal Service Funds provide goods or services primarily to other agencies or funds of the State, rather than to the general public. Examples include information technology, telecommunications, and office building rentals. In the government-wide statements, internal service funds are included with governmental activities. Eliminations have been made to minimize the double counting of internal activity, including internal service fund type activity on the government-wide financial statements.

Fiduciary Fund Types:
Pension and Other Employee Benefit Trust Funds include Pensions, OPEB and other employee benefit plans held in trust that meet GASB criteria in Statement Nos. 67, 74 and 84. The defined benefit pension plans include plans for state employees, state police, some city and county employees, teachers, judges, peace officers, and State Port Authority employees.

Private Purpose Trust Funds report all fiduciary activities that (a) are not required to be reported in pension and other employee benefit trust funds or investment trust funds and (b) are held in a trust that meet GASB Statement No. 84 criteria. The State's largest private purpose funds are education related for college tuition benefits.

Custodial funds are used to report fiduciary activities that meet GASB Statement No. 84 criteria and that are not required to be reported in pension and other employee benefit trust funds, investment trust funds, or private purpose trust funds. Taxes collected for other governments are accounted for in custodial funds.

D. Fiscal Year

The State fiscal year ends on September 30. One nonmajor component unit, the Alabama Space Science Exhibit Commission, has the power to set its own fiscal year (*Code of Alabama 1975*, Section 41-10-307, as amended). The Commission has set its fiscal year to end on the last Sunday in September. The difference in fiscal years has no material effect on the financial statements.

E. Assets, Liabilities, Deferred Outflows and Deferred Inflows, and Net Position and Fund Balances

1. Cash and Cash Equivalents
Cash and Cash Equivalents, as reported on the financial statements (the government-wide and the fund financial statements), are under the control of the State Treasurer or other administrative bodies as determined by law. The cash in all funds operating from the State Treasury is pooled as treasury cash and funds in excess of those to meet daily cash flow needs are invested by the State Treasurer. The State Treasurer has statutory authority to deposit treasury cash in any available bank product in any bank or savings association that is a qualified public depository and that has been designated as a state depository according to law. Also, the State Treasurer may invest in 1) bonds, notes, or treasury bills of the United States or in obligations of any agency or instrumentality of the United States of America, including but not limited to the Federal Land Bank, Federal Home Loan Bank, Federal National Mortgage Association, Federal Intermediate Credit Bank, banks for cooperatives, Resolution Trust Corporation, or any of its other agencies, or in any other obligations guaranteed as to principal and interest by the United States, or in money market mutual funds which invest solely in securities otherwise authorized by law; 2) obligations of the United States or its agencies under a repurchase agreement for a shorter time than the maturity date of the security itself; 3) commercial paper with the highest quality credit rating at the time of purchase and in banker's acceptances; 4) money market mutual funds which invest solely in securities noted above; 5) direct obligations of the State of Israel; and 6) interest earning bank deposits. All of the cash and investments in the State Treasury cash management pool are reported as cash and cash equivalents because the pool is used essentially as a demand deposit account. Commercial paper is reported as an investment regardless of the original maturity date. For funds operating outside the State Treasury, cash and cash equivalents generally include demand deposit accounts, petty cash accounts, and short-term, highly liquid investments with a maturity date of three months or less when purchased.

2. Receivables

In the government-wide and governmental fund financial statements the largest receivables are taxes receivable and the second largest is due from other governments. All receivables are recorded net of allowance for uncollectible accounts.

The largest taxes receivable are for income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, gasoline taxes, motor fuels taxes, oil and gas production privilege tax, and property taxes as required by GASB Statement 33.
The property tax calendar for the State is simple. The levy date, the assessment date, and the lien date are all the same date - October 1. On October 1, the assessed value of all property is multiplied by the applicable rates to levy the property tax. On that date, the State has a lien (a legal claim) against the property. The property tax is not due until October 1 the following year. The property tax is paid in arrears between October 1 and December 31. After December 31, it is delinquent.

Approximately 20 percent of due from other governments is long term loans made by the Alabama Public School and College Authority to local governments. The rest consists of grants and reimbursements due from the federal government where collectability is reasonably assured.

The most significant Accounts Receivable are recorded in the Public Road and Bridge Fund for revenue earned on transportation projects, the Alabama Trust Fund for oil and gas royalties earned on natural gas produced in Alabama's offshore waters, and the Twenty-first Century Authority Fund for tobacco settlement revenue. The ARPA Coronavirus State Fiscal Recovery Funds also has an accounts receivable balance. The balance is made entirely of advances. The primary government has minimal amounts of Notes and Loans Receivable, as such agreements would constitute an illegal extension of credit by the State for any fund operating from the State Treasury. Investment Sales Receivable consists of amounts receivable for investments sold but the transaction was not settled before year-end.

For component units, the largest portion of Mortgages, Notes, and Loans Receivable consists of loans made by the Alabama Housing Finance Authority. The mortgage loans of the Authority are carried at their unpaid principal balances less an allowance for loan losses. Also included in this category are student loans owed to various State universities. The loans are reported net of an allowance for uncollectible loans.

Due from Other Governments as reported for the component units consists almost entirely of amounts owed by local governments. Most of the amount consists of loans made to local governments by the Water Pollution Control and Drinking Water Finance Authorities. Accounts Receivable as reported for the component units are comprised primarily of amounts owed to State universities.

3. Interfund Activity and Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as either Due To Other Funds or Due From Other Funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as Internal Balances. Receivables and payables involving fiduciary funds are presented as accounts payable or receivable on the government-wide Statement of Net Position.

Eliminations have been made to minimize the double-counting of internal activity, including internal service fund type activity on the government-wide financial statements. However, interfund services, provided and used between different functions, have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Transfers between governmental and business-type activities are reported at the net amount on the government-wide financial statements.

In the fund financial statements, transactions for services rendered by one fund to another are treated as revenues of the recipient fund and expenditures/expenses of the disbursing fund. Reimbursements of expenditures/expenses made by one fund for another are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund. Transfers represent flows of assets between funds of the primary government without equivalent flows of assets in return and without a requirement for payment.

4. Inventories

Inventories of supplies in governmental fund financial statements are reported at cost using the purchases method. An inventory asset account is reported on the balance sheet with an offset to Nonspendable Fund Balance. The consumption method is used on the proprietary funds financial statements and the government-wide financial statements. Inventories of materials and supplies on proprietary fund financial statements are determined by both physical counts and through perpetual inventory systems and are valued at the lower of cost or market. Valuation methods used on the government-wide, proprietary and governmental fund financial statements include first-in first-out, average cost, weighted average, and retail inventory method.

5. Investments

Most investments are required to be measured at fair value per GASB Statement No.72, Fair Value Measurement and Application. Money market investments and participating interest-earning contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, bankers' acceptances, and U.S. Treasury and agency obligations. The other investments that are not reported at fair value are common stock using the equity method if the government has significant influence over the operating and financial policies of the investee, investments held by 2a7-like external investment pools, investments in 2a7-like pools measured at the NAV per share provided by the pool, nonparticipating interest-earning investment contracts, nonparticipating unallocated insurance contracts, synthetic guaranteed investment contracts that are fully benefit-responsive, and life insurance contracts.

6. Restricted Assets

Assets required to be held and/or used as specified in bond covenants, other debt agreements, donor specifications, and court settlements have been recorded as "Restricted Assets." These assets consist primarily of cash and cash equivalents, U.S. Treasury obligations, certificates of deposit and mutual funds.

7. Capital Assets

Capital assets, including buildings, land, equipment, intangibles, lease right-to-use assets, and infrastructure (e.g., roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Most capital assets are defined by the State as having an initial cost of at least $15,000 and have initial useful lives extending beyond a single reporting period. Real Property and lease right-to-use (RTU) assets must have an initial cost of at least $250,000. Software, subscription-based IT and other intangibles must have an initial cost of at least $1,000,000. Proprietary funds can set lower thresholds in accordance with business needs. Capitalized assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements Other than Buildings	25
Equipment	5-12
Lease RTU Assets - Office Space, Buildings and Other Space	Various
Software	10
Subscription-based IT	Various

Land, infrastructure, construction in progress and historical artifacts are not depreciated. The State has elected to apply the modified approach to accounting for infrastructure (e.g., roadways, bridges, and tunnels). Under this approach, the infrastructure assets are not depreciated because the State is committed to maintaining the assets at a minimum condition level that the Department of Transportation (ALDOT) has determined to be adequate to meet the needs of the citizens. Costs for maintenance and preservation are expensed in the period incurred. Additions and improvements are capitalized. The ALDOT maintains an inventory of all infrastructure assets and performs regular condition assessments of those assets to establish that they are in fact being maintained at or above the condition level established. ALDOT also makes an annual estimate of the cost necessary to

maintain and preserve those infrastructure assets at the target condition level. The cost of infrastructure reported includes historical costs from 1980 to the present as required by GASB Statement No. 34 as well as historical costs preceding 1980.

Extensive project documentation is required to meet various Federal and State guidelines concerning the construction of infrastructure. The completeness of this documentation affects the timing of project capitalization. The State capitalizes road and bridge infrastructure annually when all costs for a project are incurred and all project documentation is satisfactorily completed, filed and accepted with the appropriate entities. Projects that meet the cost and documentation criteria are closed and appropriate entries are made to adjust the Infrastructure Construction in Progress and Infrastructure asset accounts annually. Due to the documentation requirements, there can be substantial time lags between the date a project is put into service on the State's roadway network and the date the project is capitalized. A significant portion of Infrastructure Construction in Progress consists of projects that have been put into service and maintenance costs could have been incurred.

8. Compensated Absences

Employees in permanent positions accrue annual leave at a rate of four hours and twenty minutes to nine hours and forty-five minutes semi-monthly, depending upon their length of service. Upon separation from service, an eligible employee is paid for the actual number of annual leave days he has earned, up to a maximum of sixty days, with the amount being computed on the basis of his daily pay rate at time of separation multiplied by the number of days leave due.

Sick leave is accrued at a rate of four hours and twenty minutes semi-monthly. Employees may accumulate up to a maximum of 150 days sick leave. Employees may be compensated for one-half of the maximum accrued sick leave only upon retirement from state service. Tier 1 employees must have twenty-five years of service or have attained the age of 60 and have at least ten years of service to be eligible to retire. Tier 2 employees must have attained the age of 62 and have at least ten years of service to be eligible to retire. Tier 1 State Troopers must have twenty-five years of service or have attained the age of 52 and have at least ten years of service to be eligible to retire. Tier 2 State Troopers must have attained the age of 56 and have at least ten years of service to be eligible to retire. If a state employee in the classified service dies while in active service to the State, the estate of the deceased employee receives a payment of fifty percent of the accrued and unused sick leave, not to exceed 600 hours, which the employee was credited with at the time of his or her death.

The monetary value of accumulated annual and sick leave payable upon termination or retirement is included in the government-wide statement of net position, proprietary fund financial statements, and fiduciary fund financial statements. In the governmental fund financial statements, amounts reported are for unused, matured leave amounts payable to employees whose employment was terminated by September 30. These amounts are paid to the employees during the first month after the end of the fiscal year so those actual payments were used to compute the amount payable. Amounts not payable from expendable available resources (long-term liabilities) are reported in the government-wide Statement of Net Position.
The liability for compensated absences was computed using salary rates effective at fiscal year-end including the employer's share of social security and Medicare taxes payable and represents annual and sick leave earned up to the allowable ceilings. The sick leave is calculated separately for vested and non-vested employees. Sick leave is subjected to an actuarially determined probability multiplier that the employee will remain to retire and collect sick leave. The probability multipliers are as follows:

	Vested	Non-vested
Public Education Employees	87.5%	46.8%
State Employees	83.6	35.0

9. Long-Term Obligations

Long-term debt is recognized as a liability in governmental fund financial statements when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a liability in governmental fund financial statements. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds in the proprietary fund financial statements.

10. Deferred Outflows and Deferred Inflows
Deferred outflow of resources represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources in the current period. Deferred inflow of resources represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources until then.

11. Net Position and Fund Balances
As discussed previously, net position on the government-wide financial statements and the proprietary fund financial statements are reported in three categories: 1) net investment in capital assets; 2) restricted net position; and 3) unrestricted net position.

Fund balances reported in the governmental fund financial statements are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either 1) not in spendable form, such as inventory and long term receivables; or 2) legally and contractually required to be maintained intact, such as the principal of a permanent fund. Restricted fund balances have constraints placed on the use of the resources that are either 1) externally imposed by creditors, grantors, contributors, or laws of other governments or 2) imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts constrained by formal action of the State's highest decision-making authority. The authorization should have the consent of both the legislative and executive branches of government. Commitments may be changed or lifted only through an equivalent formal high level action. Commitments are not considered to be legally enforceable by an external party. External parties such as citizens or the judiciary can compel the State through legal action to honor restrictions but not commitments. The State does not have any policy or procedure for establishing committed fund balances and none are reported in these financial statements. Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes. Assigned fund balances include 1) all remaining non-negative amounts reported in governmental funds other than the General Fund and 2) amounts in the General Fund that are constrained by the State's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the State legislature or by its delegation to a State official. The State Finance Department, under the legal authority of the State Finance Director, has established Fiscal Policies and Procedures which enable agency heads to establish assigned amounts. Unassigned fund balance is the residual classification and only the General Fund can report a positive unassigned fund balance. Negative unassigned fund balance can be reported in any governmental fund if expenditures incurred for specific purposes exceeded the amount restricted, committed or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the State's policy to spend unrestricted fund balance before restricted. Unrestricted fund balance is considered spent in the following order: unassigned, assigned, committed.

F. New Accounting Pronouncements

During the current fiscal year, the State implemented the following new accounting pronouncements:
- GASB Statement No. 101: Compensated Absences
- GASB Statement No. 102: Certain Risk Disclosure

NOTE 2 - TAX ABATEMENTS

As of September 30, 2025, the State participates in the following tax abatement programs:

The Jobs Credit is intended to promote job creation in the State. Companies receiving the tax incentive must agree to a jobs commitment and minimum average wage commitment in a project agreement with the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-375, the jobs credit is equal to 3 percent of the previous year's payroll for eligible employees for a maximum of 10 years. Also, additional incentives can be granted for the following: 1) a 1 percent credit for companies locating in a targeted county; 2) a .5 percent credit for wages paid to veterans for companies employing at least 12 percent veterans, and 3) a .5 percent credit for companies locating within a former active duty military base that was closed by the Base Realignment and Closure process. Depending on the project agreement, the jobs credit may be paid to the taxpayer as a refund out of utility taxes regardless of the amount of utility taxes actually paid by the taxpayer or it may be claimed as a credit against utility taxes actually paid and carried forward up to 5 years. A company claiming more wages or jobs than paid or created is liable for the unearned portion of the jobs credit. The amount of abated taxes for fiscal year 2025 is $50 million as a result of the Jobs Credit.

The Investment Credit is intended to promote capital investment in the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-376, the investment credit is equal to 1.5 percent of the capital investment up to 10 years or up to 15 years for targeted counties. Taxpayers receiving the tax incentive must agree to a jobs commitment and minimum wage commitment in a project agreement with the State. Income taxes, financial institution excise taxes, insurance premium taxes, or utility taxes can be abated. Depending on the project agreement, the investment credit may be claimed as a credit against taxes actually paid and carried forward up to 5 years. Also, credits may be transferred, or sold, at 85 percent or more of face value for the first 3 years if approved by the Governor. The amount of abated taxes for fiscal year 2025 is $90 million as a result of the Investment Credit.

The Apprenticeship Alabama program is intended to ensure the advancement and expansion of registered apprenticeships in the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-422, the apprenticeship tax credit is equal to one thousand dollars for each apprentice up to a maximum of five. The employer must have a United States Department of Labor Registered Apprenticeship program in one of five industry sectors (advanced manufacturing, construction, healthcare, information technology, and transportation and logistics.) There are no penalties or claw back provisions. Income taxes or financial institution excise taxes can be abated. The amount of abated taxes for fiscal year 2025 is $140 thousand as a result of the Apprenticeship Alabama program.

The Film Incentive is intended to attract investment for qualified productions and qualified production companies, and increase employment opportunities. Pursuant to the *Code of Alabama 1975*, Section 41-7A-3, a rebate of 25 percent of all state certified expenditures and 35 percent of all payroll can be claimed, and exemptions from sales, use and lodgings taxes. Income taxes can be abated for qualified production companies. The total amount of abated taxes for fiscal year 2025 is $16.3 million as a result of the Film Incentive.

The Growing Alabama Credit is intended to promote growth of business, industry and economic development in the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-403, a credit equal to contributions to a local economic development organization can be claimed. Income taxes can be abated. The amount of abated taxes for fiscal year 2025 is $2.3 million as a result of the Growing Alabama Credit.

The Historic Rehabilitation Tax Credit Program is intended to promote the rehabilitation, preservation, and development of historic structures in the State. Pursuant to the *Code of Alabama 1975*, Section 40-9F, a 25 percent credit of qualified rehabilitation expenditures can be claimed. Income taxes or financial institution excise taxes can be abated. The amount of abated taxes for fiscal year 2025 is $14.7 million as a result of the Historic Rehabilitation Tax Credit Program.
Other tax abatement programs include the Reinvestment and Abatement Act (code section 40-9G), the Tax Incentive Reform Act of 1992 (code section 40-9B), the Brownfield Development Tax Abatement (code section 40-9C), and the Economic Incentive Enhancement Act of 2007 (code section 40-9D). Property taxes, gross utility taxes, and sales and use taxes can be abated. The Reinvestment and Abatement Act is intended to promote capital reinvestment in the State and a tax incentive is based on the taxpayer's eligible capital reinvestment. The Brownfield Development Tax Abatement is intended to promote the redevelopment of former industrial or commercial sites that are probably contaminated. The Tax Incentive Reform Act of 1992 is intended to promote industrial development. The Economic Incentive Enhancement Act of 2007 is intended to attract very large projects which create a substantial number of jobs and economic growth in the State. The amount of abated taxes for fiscal year 2025 is $149.4 million as a result of these programs.

NOTE 3 - FUND BALANCES/NET POSITION

A. Restricted Net Position

The Government-wide Statement of Net Position reports $17.4 billion of restricted net position for the primary government, of which $3,195,120,000 is restricted by enabling legislation.

B. Restatements

Fund Balances and Net Position as of October 1, 2024, have been restated for prior period adjustments necessary to conform to GAAP. These restatements include differences resulting from capital assets and lease liabilities in prior years.

Business-Type activities were restated by $447,582,000 due to the reclassification of the State Port Authority from a proprietary fund of the State to a component unit.

Component units were restated by $465,542,000. Of that, $447,582, 000 was due to the reclassification of the State Port Authority becoming a component unit of the State. There was a change in accounting principle by the University of South Alabama relating to compensated absences. The remaining $31,484,000 was due to a correction of prior year financial statements by Alabama A&M University. This was due to a significant change in accounts receivable and capital assets.

Government-wide financial statements' beginning net position for governmental activities and business-type activities was restated for the following (amounts in thousands):

	09/30/2024 As Previously Reported	Change in Financial Reporting Entity	Change in Accounting Principle	Correction of Prior Year Error	09/30/2024 Restated
Government Wide Adjustments					
Governmental Activities	32,315,118	—	—	—	32,315,118
Business-Type Activities	1,706,275	(447,582)	—	—	1,258,693
Total Primary Government	**34,021,393**	**(447,582)**	**—**	**—**	**33,573,811**
Governmental Funds					
Major Funds	9,163,085	—	—	—	9,163,085
Nonmajor Funds	8,583,834	—	—	—	8,583,834
Total Governmental Funds	**17,746,919**	**—**	**—**	**—**	**17,746,919**
Proprietary Funds					
Major Funds	1,459,325	—	—	—	1,459,325
Port Authority		(447,582)	—	—	(447,582)
Nonmajor Funds	246,950	—	—	—	246,950
Internal Service Funds	250,926	—	—	—	250,926
Total Proprietary Funds	**1,957,201**	**(447,582)**	**—**	**—**	**1,509,619**
Fiduciary Funds					
Pension and Other Employee Benefit Trust Funds	55,897,351	—	—	—	55,897,351
Private Purpose Trust Funds	2,998,558	—	—	—	2,998,558
Custodial Funds	192,993	—	—	—	192,993
Total Fiduciary Funds	**59,088,902**	**—**	**—**	**—**	**59,088,902**

Discretely Presented Component Units					
Major Component Units	14,832,183				14,832,183
University of South Alabama		—	(13,525)	—	(13,525)
Nonmajor Component Units	3,458,966				3,458,966
Port Authority	—	447,582			447,582
Alabama A&M University	—	—	—	31,484	31,484
Total Discretely Presented Component Units	**18,291,149**	**447,582**	**(13,525)**	**31,484**	**18,756,690**

C. Fund Balance/Net Position Deficits

1. Primary Government

The Alcoholic Beverage Control Board, a major proprietary fund, had a deficit in unrestricted net position of $97,813,000 with a total net position deficit of $96,567,000. The deficits are largely due to the accruals for net pension liability, compensated absences, salaries payable, net OPEB liability, profits currently due to other funds, and deferred inflows. The Board, by law, operates on a cash basis and is required to distribute 100 percent of its profits as transfers to other funds.

Some of the internal service funds have deficits due to accruals for net pension liability, net OPEB liability and deferred inflows. The Service Division had a deficit in unrestricted net position of $340,000, but had a positive total net position of $12,000. The Other Internal Service Funds has a deficit in unrestricted net position of $1,523,000, but had a positive total net position of $21,005,000.

2. Component Units

The University of South Alabama, a major component unit, had a positive in unrestricted net position of $28,530,000 due to accruals of net pension liability, net OPEB liability and deferred inflows as well as a positive balance in total net position of $1,278,985,000. Alabama Community College System, a major component unit, had a positive in unrestricted net position of $625,660,000 due to accruals of net pension liability, net OPEB liability and deferred inflows; as well as a positive balance in total net position of $2,110,484,000.

The following nonmajor component units had deficits in unrestricted net position driven by accruals of net pension liability, net OPEB liability and deferred inflows: Alabama State University, University of North Alabama, and the University of Montevallo of $40,405,000, $20,613,000, and $70,584,000, respectively. All of these nonmajor component units had a positive total net position.

The following other nonmajor component units had deficits in unrestricted net position driven by accruals of net pension liability, net OPEB liability and deferred inflows: Alabama Institute for the Deaf and Blind, Athens State University, Marine Environmental Sciences Consortium, Historic Ironworks Commission, and Alabama Transportation Infrastructure Bank of $89,822,000, $6,616,000, $3,210,000, $1,062,000, and $30,000, respectively. All of these other nonmajor component units had positive total net positions except for Alabama Transportation Infrastructure Bank who had a negative net position of $30,000.

For the Fiscal Year Ended September 30, 2025

D. Governmental Fund Restricted Fund Balances

(Amounts in Thousands)

Economic Development and Regulation	
Economic Development Incentives	$ 26,689
Economic Regulation Programs	145,213
Total Economic Development and Regulation	171,902
Education and Cultural Resources	
Alabama Public School and College Authority	130,584
Local Schools	344,658
Industrial Training	1,423
Education Budget Stabilization	843,685
Education Trust Fund	2,650,716
Education Advancement and Technology Fund	374,190
Other	1,443,198
Total Education and Cultural Resources	5,788,454
Natural Resources and Recreation	
Department of Conservation	227,097
Forever Wild Land Trust	48,799
Forever Wild Stewardship	53,415
Other	28,176
Total Natural Resources and Recreation	357,487
Health	
Health Department	140,753
Medicaid	126,325
Mental Health	246,271
Environmental Management	77,611
Other	77,692
Total Health	668,652
Social Services	
Department of Human Resources	148,747
Rehabilitation Services	17,771
Veterans	268,015
Employment Security	65,586
Other	71,090
Total Social Services	571,209
Protection of Persons and Property	
Professional and Occupational Licensing	93,778
Law Enforcement and Investigations	92,216
Department of Corrections	16,152
Agricultural Products Oversight	68,669
Mine Reclamation	16,152
Youth Services	8,667
911 Service	1,863
Other	209,315
Protection of Persons and Property	506,812
Transportation	
State Roads and Bridges	531,155
Transportation Projects	338,800
Local Government Transportation Programs	762
Airfields	5,123
Total Transportation	875,840

General Government	
County and Municipal Capital Improvements	646,054
Judicial System	116,639
Economic and Community Affairs	88,095
Financial Administration	22,574
General Fund Budget Reserve Fund	150,000
Other	289,005
Total General Government	$ 1,312,367

E. Education Trust Fund Budget Stabilization Fund

The Rolling Reserve Act (Act 2011-003, as amended by Act 2015-538 and Act 2018-544) created an Education Trust Fund Budget Stabilization Fund. This fund will generally be used to reduce any future proration in the Education Trust Fund (ETF). The Education Trust Fund Rainy Day Account within the Alabama Trust Fund has been repaid in full; therefore, the ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund receive money when the ETF has revenues in excess of an appropriation cap defined in the Act. The ETF Budget Stabilization Fund receives money until the fund reaches 7.5 percent of the previous year's appropriations from the ETF, and then any excess money is transferred to the ETF Advancement and Technology Fund. The cap is the sum of recurring revenues deposited into the ETF in the last completed fiscal year preceding the calculation year adjusted up or down by: 1) the average annual percentage change in recurring revenues for the 14 highest of the 15 completed fiscal years preceding the date on which the calculation is made; 2) if legislation is enacted that will increase recurring revenues deposited into the ETF, an amount equal to 95 percent of the fiscal note attached to the legislative act is added to the cap; 3) if legislation is enacted that will decrease recurring revenues deposited into the ETF, the negative impact, based on the enacted fiscal note is subtracted from the cap; 4) any nonrecurring revenue; and 5) the amount required to be appropriated from the ETF to the Prepaid Affordable College Tuition Trust Fund. The Finance Director and the Legislative Fiscal Officer must certify their computation of the cap at the same time as the certification required by Amendment 803 to the Constitution of Alabama of 1901 (prior to the third day of each Regular Session). The Legislature may appropriate from the ETF Budget Stabilization Fund an amount equal to the difference between the preceding fiscal year's total appropriations from the ETF and the cap. Except as provided in the previous sentence, amounts in the ETF Budget Stabilization Fund may be withdrawn to prevent proration in the ETF or to provide loans to public schools or institutions of higher education for emergency repairs if a natural disaster is declared by the Governor. The Governor must certify to the State Comptroller and notify the Legislature that proration would occur in the ETF before funds may be withdrawn for proration. The ETF Budget Stabilization Fund has a balance of $844 million at the end of fiscal year 2025.

F. General Fund Budget Reserve Fund

The General Fund Budget Reserve Fund was created by Act 2020-115. This fund will generally be used to reduce any future proration in the General Fund. Beginning on October 1, 2020, twenty percent of the ending balance in the General Fund from the previous year fiscal year that was unanticipated and unappropriated by the Legislature as a beginning balance will be transferred to the General Fund Budget Reserve Fund by November 15 of each year if the balance in the General Fund Budget Reserve Fund is less than $100 million. The Governor must certify to the State Comptroller and notify the Legislature that proration would occur in the General Fund before funds may be withdrawn to prevent proration. If the balance in the General Fund Budget Reserve Fund is at least $50 million then amounts in the General Fund Budget Reserve Fund may be withdrawn by and through an independent supplemental appropriation bill enacted with a recorded vote of at least two-thirds of the membership of each legislative chamber to provide funding necessary for any of the following: 1) to offset a reduction in estimated revenues to the General Fund for the current year; 2) to fund state employee pay raises or bonuses; or 3) to provide funding for unanticipated obligations. The General Fund Budget Reserve Fund has a balance of $150 million at the end of fiscal year 2025.

NOTE 4 - ASSETS

A. Cash Deposits

The cash in all funds operating from the State Treasury is pooled as treasury cash and funds in excess of those to meet daily cash flow needs are invested by the State Treasurer. The State Treasurer has statutory authority to deposit treasury cash in any available bank product in any bank or savings association that is a qualified public depository and that has been designated as a state depository according to law. Excess cash may also be invested in eligible securities.

Bank deposits of both the primary government and its component units are entirely insured by Federal depository insurance or protected under the Security for Alabama Funds Enhancement (SAFE) Program. The *Code of Alabama 1975,* as amended, requires all State organizations, including component units, to deposit monies in a bank that participates in the SAFE Program. The SAFE Program is a multiple financial institution collateral pool administered by the State Treasurer. Each qualified public depository is required to pledge collateral in accordance with the rules established by the SAFE Board of Directors. In the event that a qualified public depository defaults or becomes insolvent and the pledged collateral is insufficient to satisfy the claims of public depositors, the *Code of Alabama 1975,* Section 41-14A-9(3) authorizes the State Treasurer to make assessments against the other qualified public depositories in the pool so that there will be no loss of public funds. Also, all other public funds not managed by the State Treasurer are required to be deposited in a qualified public depository or placed through a qualified public depository which arranges for the funds to be deposited in federally insured banks or savings associations so that the funds and accrued interest earned on them are fully insured by the Federal Deposit Insurance Corporation and, at the same time, the qualified public depository receives or is credited with deposits from other banks or savings associations in an amount equal to or greater than the amount it arranged to be deposited in other banks and savings associations.

B. Investments

Investments are made in accordance with the statutes creating the various agencies of the State of Alabama. The following describes the investments made by the major investing agencies of the State:

1. Primary Government

State Treasurer - The State Treasurer may legally invest state funds in 1) bonds, notes, or treasury bills of the United States or in obligations of any agency or instrumentality of the United States of America, including but not limited to the Federal Land Bank, Federal Home Loan Bank, Federal National Mortgage Association, Federal Intermediate Credit Bank, banks for cooperatives, Resolution Trust Corporation, or any of its other agencies, or in any other obligations guaranteed as to principal and interest by the United States, or in money market mutual funds which invest solely in securities otherwise authorized by law; 2) obligations of the United States or its agencies under a repurchase agreement for a shorter time than the maturity date of the security itself; 3) commercial paper with the highest quality credit rating at the time of purchase and in bankers' acceptances; 4) money market mutual funds which invest solely in securities noted above; 5) direct obligations of the State of Israel; and 6) interest earning bank deposits.

Alabama Trust Fund - Investments are limited to those authorized by law for the Retirement Systems of Alabama. The investments authorized for the Retirement Systems are described later in this section.

Prepaid Affordable College Tuition (PACT) Program - The Board of Trustees is responsible for the management of the investments of the PACT program, although the investments are not property of the State. The funds may be invested in any instrument, obligation, security or property that constitutes legal investments for investment of public funds in the State, including legal investments of the State Treasurer and the Alabama Trust Fund that are deemed most appropriate by the PACT Board.

Alabama College Education Savings (ACES) Plan - The Board of Trustees administers the program. The Board of Trustees has entered into a contract with UBT 529 Fund Services (Union Bank), a division of Union Bank and Trust Company. Union Bank is the Program Manager and the Board of Trustees has delegated day to day administration to the State Treasurer. The investment alternatives are made available through investment portfolios each of which represents a separate, segregated portfolio of investments in mutual funds.

Achieving a Better Life Experience (ABLE) Program – The Board of Trustees develops and implements the ABLE program, with day-to-day administration of the program delegated to the State Treasurer. The ABLE Program is operated in accordance with Section 529A of the Internal Revenue Code of 1986, as amended, to assist individuals in saving private funds for the purpose of supporting Alabama citizens with disabilities. The investment alternatives are made available through investment portfolios each of which represents a separate, segregated portfolio of investments in mutual funds.

2. Fiduciary Funds

Retirement Systems of Alabama (RSA) - The RSA administers the Teachers' Retirement System (TRS), Employees' Retirement System (ERS), and Judicial Retirement Fund (JRF). RSA may invest in any types of investments that the Board of Control of each individual system approves. Each Board is limited only by the "Prudent Person Rule" which requires it to use due care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with such matters would use in investing.

Deferred Compensation Plan (RSA-1) - A deferred compensation plan is administered by the Retirement Systems of Alabama (RSA). The plan is named the Public Employees' Individual Retirement Account/Deferred Compensation Plan, and is commonly referred to as RSA-1. By law, RSA-1 investments are made under the same rules, regulations, conditions, and guidelines governing the RSA.

3. Component Units

Alabama Housing Finance Authority - The Authority is authorized to invest in bonds or other obligations issued or guaranteed by the U.S. Government, or any agency thereof, or the State of Alabama. Also, the Authority may invest in interest-bearing bank and savings and loan association deposits, any obligations in which a State-chartered savings and loan association may invest its funds, any agreement to repurchase any of the foregoing, or any combination thereof. Each of the trust indentures established under the Authority's bond program contains further restrictions on the investment of non-expended bond proceeds; however, each trust indenture must be consistent with the Authority's authorizing legislation with respect to the definition of eligible investments. The Authority's program investments consist of temporary and debt service reserve funds established under the provisions of various trust indentures and investments of the Authority's General and Housing Assistance Funds.

Investments of Colleges and Universities - The colleges and universities invest funds in accordance with applicable limits set in the gift instruments, Board of Trustees guidelines, and applicable laws. Certain bond indentures require bond funds to invest all amounts in federal securities or eligible certificates. In accordance with GASB Statement No. 31, most investments are stated at fair value.

For the Fiscal Year Ended September 30, 2025

Investment Types and Fair Value
(Amounts in Thousands)

Investment Types	Governmental Activities	Business-Type Activities	Fiduciary Funds (including Fiduciary Component Units)	Discretely Presented Component Units
U S Treasury Strips	$ 85,417	$ 52,686	$ 0	$ 0
U S Government Guaranteed Securities	2,969,407	23,824	3,494,134	1,667,026
U S Agency Securities	216,750	14,629	204,214	956,745
State and Local Government Securities	446	230	4,256	399
Mortgage Backed Securities	594,829	3,154	2,155,187	880,299
Commercial Paper	14,311	—	443,374	30,328
Corporate Bonds	309,456	75,150	3,155,270	523,799
Private Placements	166,217	—	579,529	—
Repurchase Agreements	77,771	—	—	—
International Bonds	1,288	—	24	78,712
Bond Mutual Funds	44,336	—	5,525,677	1,166,941
Domestic Equities	1,730,387	29,522	32,079,339	947,468
International Equities	865,791	—	8,274,849	100,334
Other Mutual Funds	385,064	42,222	2,369,245	420,263
Real Estate	379,426	2,350	4,351,297	107,879
Commingled Funds	581,208	—	—	4,340,443
Derivative Instruments	—	—	(206)	—
	$ 8,422,104	**$ 243,767**	**$ 62,636,189**	**$ 11,220,636**

Reconciliation to the Government-wide Statement of Net Position and Statement of Fiduciary Net Position

Investments Per Investment Note	$ 8,422,104	$ 243,767	$ 62,636,189	$ 11,220,636
Certificates of Deposit †	36,317	10,805	655	163,525
Money Market Accounts - Savings †	687,372	14,634	112,070	353,090
Other Cash Equivalents †	(2,531,674)	(28,488)	(34,797)	386,202
Investments Classified as Restricted Assets †	(1,592)	—	—	—
Repurchase Agreements ††	(77,115)	—	—	—
Foundations and pooled investments §	—	—	—	1,867,435
Investments per Statements	**$ 6,535,412**	**$ 240,718**	**$ 62,714,117**	**$ 13,990,888**

† Investment types not required to be presented in the investment credit note.
†† Short-term repurchase agreements are included as cash equivalents; they are subject to investment risk disclosures.
§ University foundations follow the investment reporting requirements of the FASB and are not subject to GASB disclosure requirements. For this reason some of the investment information is not available. Also, investments of affiliated entities are included in an investment pool. The investment information that is available is being disclosed.

C. Investment Risks

1. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Nationally recognized statistical rating organizations provide ratings of debt securities quality based on a variety of factors, such as the financial condition of the issuers, which provide investors with some idea of the issuer's ability to meet its obligations.

The ratings of the State's investments as of September 30, 2025 are presented on the following table.

For the Fiscal Year Ended September 30, 2025

Ratings of Fixed Maturities (Amounts in Thousands)

Moody's	Standard & Poor's	Governmental Activities	Business-Type Activities	RSA Fiduciary Component Units	Other Fiduciary Funds	Component Units
Aaa		2.538.137	$ 18,068	$ 21,276	$ 131,298	$ 900,638
	AAA	18,529	28,936	—	183,807	204,887
Aa1		332,694	—	175,260	72,346	800,328
	AA+	165	—	—	—	—
Aa2		7.740	3,515	27,015	11,417	153
	AA	13,954	—	—	82,544	46,644
Aa3		11.603	6,108	18,733	2,296	79
	AA-	834	—	—	—	—
Aa		221	—	—	11,485	38,163
A1		43.679	12,843	351,496	60,471	1,429
	A+	31,979	—	—	—	—
A2		21.031	15,299	171,008	25,155	761
	A	2,267	—	—	41	193,776
A3		30.354	13,497	547,907	131,036	2,778
	A-	3,419	—	—	—	183
A		—	—	—	3,543	—
P1		728	—	—	—	—
P2		14,311	—	395,056	48,318	30,228
Baa1		34.182	3,664	430,685	82,127	2,572
	BBB+	5,556	601	—	—	—
Baa2		50.523	7.404	692,305	154,660	6,561
	BBB	3,660	402	—	72	198,261
Baa3		42.994	1,984	50,527	15,126	1,294
	BBB-	30,111	—	—	—	—
Baa		—	—	—	404,546	—
Ba		—	—	—	33,569	—
Ba1		20,197	—	21,888	6,905	49
	BB+	6,273	—	—	—	—
Ba2		6,784	—	12.899	2,388	44
	BB	23,707	—	—	18	18,573
Ba3		11,850	—	—	—	—
	BB-	62,542	—	—	—	—
B1		5,941	—	3,175	1,593	22
	B+	3,661	—	—	—	—
B2		11,919	—	—	—	—
	B	1,255	—	—	5	8,801
B3		6,530	—	—	—	—
	B-	914	—	—	—	—
Caa1		480	—	—	—	—
Caa2		3	—	—	—	—
	CCC	145	—	—	2	—
Caa3		626	—	—	—	—
Ca		174	—	—	—	—
	C	—	—	—	—	2,206
C		63	—	—	—	—
	D	37	—	—	—	—
U S Govt Guaranteed Securities §		1,030,174	57,352	4,629,228	868,416	1,495,562
Not Rated †		74,382	—	4,271,594	1,408,449	1,357,699
Totals		**$ 4,506,328**	**169,673**	**$ 11,820,052**	**$ 3,741,633**	**$ 5,311,691**

§ US Govt rated Aa1 (Moody's) and AA+ (Standard & Poor's)

† Consists primarily of private placements and bond mutual funds that are not rated

The investments allowed for Treasury monies are U.S. government or agency securities, repurchase agreements backed by U.S government or U.S. government agency securities, mutual funds investing in U.S. government or U.S. government agency securities, or Bank of Israel bonds. The U.S. government and U.S. government agency securities are rated Aa1 or AA+. Bond mutual funds may or may not be rated. Bank of Israel bonds are not rated.

As mentioned earlier the investments of the Alabama Trust Fund are limited to those authorized for the Retirement Systems of Alabama. Domestic fixed-maturity investments may consist of rated or non-rated securities. There are no stated limitations on the credit quality of the fixed income portfolio; however, ratings are assessed on a regular basis. The Systems may hedge against the possible adverse effects of currency fluctuations on each System's portfolio of international fixed income obligations when it is considered appropriate. Short-term investments may consist of commercial paper rated at least A2 and/or P2, repurchase agreements, short-term U.S. securities, and other money market investments.

2. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of those investments. The Treasurer's Office investment guidelines state that the maximum effective maturity of any purchase will be five years. Market accepted average life at time of purchase shall be used in lieu of final maturity for the purpose of maturity acceptability of mortgage-backed securities. Average effective duration should be plus or minus 30 percent of the index duration. The majority of the portfolio is benchmarked against the Barclays Capital 1-3 Year Government Index.

The fair value of fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those instruments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, and other general market conditions. Certain fixed maturity investments have call provisions that could result in shorter maturity periods.

The investment policy of the Alabama Trust Fund states that the fixed income portfolio's average duration is not to exceed 1.5 times that of the benchmark index.

As of September 30, 2025, the State had the following investments and maturities:

Governmental Activities
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Treasury Strips	$ 1,789	$ 76,489	$ 6,219	$ 920	$ 85,417
U S Government Guaranteed Securities	576,785	2,070,098	202,939	119,585	2,969,407
U S Agency Securities	63,892	120,563	4,582	27,713	216,750
State and Local Government Securities	110	80	93	163	446
Mortgage Backed Securities	11,005	49,496	148,821	385,507	594,829
Commercial Paper	14,311	—	—	—	14,311
Corporate Bonds	27,840	92,070	131,879	57,667	309,456
International Bonds	—	723	565		1,288
Private Placements	2,772	29,656	44,639	89,150	166,217
Bond Mutual Funds	40,708	1,675	1,224	729	44,336
Commingled Funds	—	—	89,956	13,915	103,871
Total	**$ 739,212**	**$ 2,440,850**	**$ 630,917**	**$ 695,349**	**$ 4,506,328**

For the Fiscal Year Ended September 30, 2025

Business-Type Activities
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Treasury Strips	$ 14,825	$ 37,861	$ 0	$ 0	$ 52,686
U S Government Guaranteed Securities	5,473	18,351	—	—	23,824
U S Agency Securities	1,173	2,359	8,804	2,293	14,629
State and Local Government Securities	230	—	—	—	230
Mortgage Backed Securities	107	465	1,382	1,200	3,154
Corporate Bonds	9,774	62,477	2,899	—	75,150
Total	**$ 31,582**	**$ 121,513**	**$ 13,085**	**$ 3,493**	**$ 169,673**

Retirement Systems of Alabama
(Fiduciary Component Units)
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Government Guaranteed Securities	$ 278,245	$ 1,204,031	$ 863,418	$ 494,124	$ 2,839,818
U S Agency Securities	33,428	63,788	38,285	21,933	157,434
Mortgage Backed Securities	169	7,191	14,057	1,767,993	1,789,410
Commercial Paper	395,056	—	—	—	395,056
Corporate Bonds	281,707	761,485	601,576	727,888	2,372,656
Private Placements	—	251,762	120,653	204,500	576,915
Bond Mutual Funds	3,688,763	—	—	—	3,688,763
Total	**$ 4,677,368**	**$ 2,288,257**	**$ 1,637,989**	**$ 3,216,438**	**$ 11,820,052**

For the Fiscal Year Ended September 30, 2025

Other Fiduciary Funds
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Government Guaranteed Securities	$ 116,087	$ 285,403	$ 134,469	$ 118,358	$ 654,317
U S Agency Securities	14,053	21,529	7,581	3,618	46,781
State and Local Government Securities	473	2,563	645	575	4,256
Mortgage Backed Securities	261	6,882	7,491	351,143	365,777
Commercial Paper	48,318	—	—	—	48,318
Corporate Bonds	349,047	160,616	96,708	176,243	782,614
International Bonds	—	—	24	—	24
Private Placements	—	2,614	—	—	2,614
Bond Mutual Funds	872,896	374,119	515,885	74,032	1,836,932
Total	**$ 1,401,135**	**$ 853,726**	**$ 762,803**	**$ 723,969**	**$ 3,741,633**

Discretely Presented Component Units (excluding University of Alabama)
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Government Guaranteed Securities	$ 406,920	$ 739,451	$ 7,885	$ 5,015	$ 1,159,271
U S Agency Securities	387,147	561,076	2,486	6,036	956,745
State and Local Government Securities	—	214	185	—	399
Mortgage Backed Securities	147	2,261	8,036	459,295	469,739
Commercial Paper	30,228	—	—	—	30,228
Corporate Bonds	20,478	14,630	5,726	5,632	46,466
International Bonds	—	205	—	—	205
Bond Mutual Funds	394,868	7,606	46,780	—	449,254
Total	**$ 1,239,788**	**$ 1,325,443**	**$ 71,098**	**$ 475,978**	**$ 3,112,307**

The University of Alabama discloses the interest rate risk for the System Pool using the effective duration method. The prices of fixed income securities with a longer time to maturity, measured by effective duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. Effective duration is the approximate change in price of a security resulting from a 100 basis point (1 percentage point) change in the level of interest rates. It is not a measure of time. The University does not have a specific policy relative to interest rate risk.

University of Alabama System Pool
(Amounts in Thousands)

Investment Type	Fair Value	Effective Duration
Endowment Fund:		
U S Government Guaranteed Securities	$ 16,782	11.4
Corporate Bonds	50,451	4.8
Non-U S Bonds	6,401	4.8
Mortgage Backed Securities	33,448	5.9
Liquidity and Capital Reserve Fund:		
U S Government Guaranteed Securities	435,673	3.2
Corporate Bonds	289,899	2.8
Non-U S Bonds	72,106	2.8
Mortgage Backed Securities	362,288	2.7
Other Fixed Income	7,442	0.1
Collateralized Mortgage Obligations	14,824	5.7
Commingled Bond Funds	547,769	3.6
Total	**$ 1,837,083**	

3. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy of the Alabama Trust Fund states that the aggregate fair value of international equities is limited to 26 percent of the aggregate fair value of the total portfolio with a target of 20 percent of the total portfolio. The exposure to emerging market securities shall be limited to 20 percent of the fair value of the international portfolio. Not more than 5 percent of the total stock portfolio may be invested in the common stock of any one corporation at the time of purchase and no more than 7 percent in any one corporation at fair value. Not more than 5 percent of the outstanding shares of any one company may be held by the portfolio. In addition, no more than the lesser of (2 times the sector weight in the index and 40 percent) valued at fair value may be held in any one economic sector as defined by the MSCI EAFE (Morgan Stanley Capital International Europe, Australasia, and the Far East) index classifications for developed market portfolios and by MSCI Emerging Markets index classifications for emerging markets portfolios.

In order for an international security to be eligible for purchase by the Retirement Systems of Alabama (RSA), the issuing company must be incorporated in a country whose debt securities are eligible for purchase, and the fair value of the aggregate outstanding equity of the issuing company must be at least $100 million.

The State's exposure to foreign currency risk at September 30, 2025 was as follows:

Deposits and Investments Exposed to Foreign Currency Risk
(Amounts in Thousands)

	Government-Type Activities		RSA (Fiduciary Component Units)	Other Fiduciary Funds		Discretely Presented Component Units	
	International Equities	International Bond	International Equities	International Equities	International Bond	International Equities	International Bonds
Australian Dollar	27,716	0	386,137	12,857	1	19	0
Brazilian Real	3,936	—	—	2,467	—	—	—
British Pound Sterling	152,219	116	844,478	36,456	4	53	47
Canadian Dollar	31,279	347	—	1,183	1	—	—
Chinese Yuan	41,988	—	—	17,316	4	—	—
Danish Krone	12,284	—	108,380	3,735	—	—	—
Euro	260,089	—	2,025,249	75,422	9	147	134
Hong Kong Dollar	16,281	—	109,020	3,998	—	—	—
Indian Rupee	—	—	—	8,694	—	—	—
Indonesian Rupiah	—	—	—	641	—	—	—
Israeli New Shekel	3,249	—	35,611	1,191	—	—	—
Japanese Yen	154,508	116	1,253,109	44,296	5	52	24
Malaysia Ringgit	—	—	—	675	—	—	—
Mexican Peso	2,617	—	—	1,139	—	—	—
New Zealand Dollar	49	—	9,981	308	—	—	—
Norwegian Krone	10,054	—	33,817	1,768	—	—	—
Other	—	—	—	5,954	—	315	—
Singapore Dollar	1,861	—	76,246	3,263	—	—	—
South African Rand	—	—	—	1,952	—	—	—
South Korean Won	10,885	—	—	7,433	1	—	—
Swedish Krona	43,933	—	176,183	6,450	—	—	—
Swiss Franc	35,836	—	530,835	18,296	—	—	—
Taiwan New Dollar	—	—	—	12,522	—	—	—
Thai Baht	3,351	—	—	584	—	—	—
Totals §	**$ 812,135**	**$ 579**	**$ 5,589,046**	**$ 268,600**	**$ 25**	**586**	**205**

§ The disclosure does not include some of the International Securities denominated in U.S. dollars.

4. Custodial Credit Risk

For an investment, custodial credit risk is the risk that an entity will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counterparty fails.

State Treasurer – The State Treasurer's custodian, Regions Bank, requires that the securities be held in registered form in the name of its nominee. Regions has established one or more accounts on behalf of the State Treasurer in the name of the State Treasurer.

Alabama Trust Fund (ATF) – The ATF's custodian, Bank of New York (BNY), provides a portion of the custodial services for the ATF. The ATF's custodial credit risk policy authorizes BNY to hold securities in registered form in the name of its nominee.

The policy requires BNY to establish and maintain one or more securities accounts (book entry system) in which BNY will hold the securities. These accounts are in the name of the ATF.

Retirement Systems of Alabama (RSA) – The RSA's custodial credit risk policy requires the custodial agent to hold or direct its agents or sub-custodians to hold, for the account of the RSA, all securities and other non-cash property other than securities in the Federal Reserve book-entry system, in a clearing agency which acts as a securities depository, or in another book-entry system. The RSA's safekeeping agent holds all investments of the RSA in the RSA's name with the exception of securities purchased with securities lending cash collateral.

Investments Exposed to Custodial Credit Risk
(Amounts in Thousands)

	Governmental Type Activities	Discretely Presented Component Units
U S Government Guaranteed Securities	$ 69,080	$ 478
U S Agency Securities	14,788	777
Mortgage Backed Securities	3,995	—
Corporate Bonds	2,328	877
Repurchase Agreements	77,115	—
Domestic Equities	—	1,530
International Bonds	—	205
Other Investments	13,220	2,536
Total	**$ 180,526**	**$ 6,403**

5. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investments with a single issuer. The State of Alabama has investments in U.S. Government obligations which are disclosed in the tables in this note. Standard & Poor's downgraded the rating of the U.S. Government to AA+; Moody's rating of the U.S. Government was downgraded to Aa1.

The investment policy of the Alabama Trust Fund states that the investment portfolio shall be diversified by both asset class and within asset classes, by economic sector and industry. For equity investments, the aggregate investment in equity securities of any one issuing corporation shall not exceed 1 percent of the outstanding capital of such corporation. For fixed income investments, the portfolio is to be diversified so that no more than 15 percent is invested in one industry (does not apply to U.S. government and agency securities), and no more than 5 percent of the total fixed income portfolio may be invested in securities of any one corporation. As of September 30, 2025, there were no investments that exceeded the 5 percent of the total fixed income portfolio limit in any one corporation.

The investment policies of the Retirement Systems of Alabama target the aggregate amount that can be invested in each class of investments. Domestic equity, international equity, fixed income, alternative investments, real estate, and short-term investments are limited to 45 percent, 15 percent, 15 percent, 10 percent, 10 percent, and 5 percent respectively, of the fair value of TRS and ERS aggregate portfolios. The JRF portfolio limits are 55 percent, 15 percent, 22 percent, 1 percent, 2 percent, and 5 percent respectively. As of September 30, 2025, the TRS and the ERS owned debt and equity securities of Morgan Stanley which represented approximately 5 percent of the their investments respectively. The the JRF did not own any debt or equity securities with approximated values greater than 5 percent of their total investments.

D. Fair Value Measurement

GASB 72 sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in an active market for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs to the three levels of the fair value hierarchy are described as follows:

Level 1: Quoted (unadjusted) prices in an active market for identical assets or liabilities.

Level 2: Significant other inputs which are observable either directly or indirectly, including quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in a less active market, or other market-corroborated inputs.

Level 3: Valuations derived from valuation techniques using significant unobservable inputs for assets or liabilities.

GASB 72 allows for the use of net asset value ("NAV") as a practical expedient for valuation purposes.

The categorization of investments within the hierarchy is based upon pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Investments in securities classified as Level 1 are valued using quoted prices in an active market for those securities.

Investments in securities classified as Level 2 are valued using non-proprietary information that is readily available to market participants from multiple independent sources, which are known to be actively involved in the market. Pricing inputs may include market quotation, yields, maturities, call features, and ratings.

Various other investments are classified as Level 3 due to a lack of observable market based pricing inputs and are valued using a combination of cost approach and income approach valuation techniques such as replacement costs, annual appraisals and cash flows.

For the Fiscal Year Ended September 30, 2025

As of September 30, 2025, the State had the following fair value hierarchies:

Governmental Activities
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Treasury Strips	$ 85,417	$ 0	$ 0	$ 0	$ 85,417
U S Government Guaranteed Securities	2,913,102	56,305	—	—	2,969,407
U S Agency Securities	191,886	24,864	—	—	216,750
State and Local Government Securities	283	162	—	—	446
Mortgage Backed Securities	4,066	590,488	26	249	594,829
Commercial Paper	—	14,311	—	—	14,311
Corporate Bonds	88,438	219,635	1,383	—	309,456
Private Placements	—	166,217	—	—	166,217
Repurchase Agreements	77,771	—	—	—	77,771
International Bonds	—	1,288	—	—	1,288
Bond Mutual Funds	31,886	12,450	—	—	44,336
Domestic Equities	1,084,655	451	645,281	—	1,730,387
International Equities	865,791	—	—	—	865,791
Other Mutual Funds	111,185	2,095	271,784	—	385,064
Real Estate	—	—	379,426	—	379,426
Commingled Funds	9	—	581,199	—	581,208
Total	**$ 5,454,489**	**$ 1,088,266**	**$ 1,879,099**	**$ 249**	**$8,422,104**

Business-Type Activities
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	Total
U S Treasury Strips	$ 52,686	$ 0	$ 0	$ 52,686
U S Government Guaranteed Securities	23,824	—	—	23,824
U S Agency Securities	14,629	—	—	14,629
State and Local Government Securities	230	—	—	230
Mortgage Backed Securities	1	3,153	—	3,154
Corporate Bonds	75,150	—	—	75,150
Domestic Equities	29,522	—	—	29,522
Other Mutual Funds	42,222	—	—	42,222
Real Estate	—	—	2,350	2,350
Total	**$ 238,264**	**$ 3,153**	**$ 2,350**	**$ 243,767**

For the Fiscal Year Ended September 30, 2025

Retirement Systems of Alabama
(Fiduciary Component Units)
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	Total
U S Government Guaranteed Securities	$ 0	$ 2,839,818	$ 0	$ 2,839,818
U S Agency Securities	—	157,434	—	157,434
Mortgage Backed Securities	—	1,789,410	—	1,789,410
Commercial Paper	—	395,056	—	395,056
Corporate Bonds	2,813	2,369,843	—	2,372,656
Private Placements	—	—	576,915	576,915
Bond Mutual Funds	—	3,688,763	—	3,688,763
Domestic Equities	23,582,987	2,502,751	2,420,933	28,506,671
International Equities	7,010,387	784,557	—	7,794,944
Real Estate	574,361	—	3,775,069	4,349,430
Derivative Instruments	(206)	—	—	(206)
Total	**$ 31,170,342**	**$ 14,527,632**	**$ 6,772,917**	**$ 52,470,891**

Other Fiduciary Funds
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Government Guaranteed Securities	$ 84,058	$ 570,258	$ 0	$ 0	$ 654,316
U S Agency Securities	3,533	43,247	—	—	46,780
State and Local Government Securities	4,256	—	—	—	4,256
Mortgage Backed Securities	2,000	363,777	—	—	365,777
Commercial Paper	—	48,318	—	—	48,318
Corporate Bonds	281,827	500,787	—	—	782,614
Private Placements	—	—	2,614	—	2,614
International Bonds	24	—	—	—	24
Bond Mutual Funds	1,368,419	468,495	—	—	1,836,914
Domestic Equities	3,450,570	122,304	—	—	3,572,874
International Equities	349,466	130,439	—	—	479,905
Other Mutual Funds	2,063,109	306,136	—	—	2,369,245
Real Estate	—	—	1,847	20	1,867
Derivative Instruments	(206)	—	—	—	(206)
Total	**$ 7,607,056**	**$ 2,553,761**	**$ 4,461**	**$ 20**	**$10,165,298**

For the Fiscal Year Ended September 30, 2025

Discretely Presented Component Units
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Government Guaranteed Securities	$ 769,718	$ 897,308	$ 0	$ 0	$ 1,667,026
U S Agency Securities	19,966	936,779	—	—	956,745
State and Local Government Securities	—	399	—	—	399
Mortgage Backed Securities	445,794	424,067	—	10,438	880,299
Commercial Paper	100	30,228	—	—	30,328
Corporate Bonds	16,574	507,225	—	—	523,799
International Bonds	—	78,712	—	—	78,712
Bond Mutual Funds	372,472	772,172	—	22,297	1,166,941
Domestic Equities	947,468	—	—	—	947,468
International Equities	100,334	—	—	—	100,334
Other Mutual Funds	106,672	42,511	—	271,080	420,263
Real Estate	16	120	92,033	15,710	107,879
Commingled Funds	81,343	908,961	1,601,337	1,748,802	4,340,443
Total	**$ 2,860,457**	**$ 4,598,482**	**$ 1,693,370**	**$ 2,068,327**	**$ 11,220,636**

E. Securities Lending

The Teachers' Retirement System (TRS), the Employees' Retirement System (ERS), and the Judicial Retirement Fund (JRF) are authorized by the Boards of Control to participate in a securities lending program. The Alabama Trust Fund (ATF) investment managers are authorized by the Board of Trustees to engage in securities lending under guidelines established by the ATF Board of Trustees. The Retirement Systems of Alabama's (RSA) custodian, State Street Bank and Trust Company (State Street), administers the program for the TRS, ERS, JRF, a portion of the program for the ATF, and some other funds of the State. Certain securities are loaned to borrowers approved by the RSA for collateral that will be returned for the same type of securities. Approved borrowers of securities provide acceptable collateral in the form of cash (U.S. and foreign currency), any other assets permissible under Rule 15c3-3 under the Exchange Act of 1934, U.S. and non U.S. equities and such other collateral as the parties may agree to in writing from time to time. All security loans are open loans and can be terminated on demand by the lender or borrower. The initial collateral received shall have (depending on the nature of the loaned securities and the collateral received), a value of 102 percent or 105 percent of the fair value of the loaned securities, or such other value, but not less than 102 percent of the fair value of the loaned securities, as may be applicable in the jurisdiction in which such loaned securities are customarily traded. Pursuant to the terms of the applicable securities loan agreement, State Street shall, in accordance with State Street's reasonable and customary practices, mark loaned securities and collateral to their fair value each business day based upon the fair value of the collateral and the loaned securities at the close of the business day employing the most recently available pricing information and shall receive and deliver collateral in order to maintain the value of the collateral at no less than 100 percent of the fair value of the loaned securities. The lender cannot pledge or sell collateral securities received unless the borrower defaults.

Cash collateral for TRS, ERS, JRF, and the ATF is invested in the State Street Compass Fund (SSCF). Cash collateral investments are matured as needed to fulfill loan obligations. As of September 30, 2025, the average term of the loans secured by SSCF was 25, 23, and 40 days, respectively for the TRS, ERS, and JRF. As of September 30, 2025, the average term of the loans secured by SSCF was 1 days for the ATF. Cash collateral investments are matured as needed to fulfill loan obligations. There is no direct matching of the maturities of the loans with the investments made with cash collateral. The following describes SSCF's guidelines. The Investment Manager (State Street Bank) shall maintain the dollar-weighted average maturity of the SSCF in a manner that the Investment Manager believes is appropriate to the objective of each; provided, that 1) in no event shall any eligible security be acquired with a remaining legal final maturity (i.e., the date on which principal must be repaid) of greater than 18 months, 2) the Investment Manager shall endeavor to maintain a dollar-weighted average maturity of the SSCF not to exceed

75 calendar days and 3) the Investment Manager shall endeavor to maintain a dollar-weighted average maturity to final of the SSCF not to exceed 180 calendar days. At the time of purchase 1) all eligible securities with maturities of 13 months or less shall a) be rated at least A1, P1 or F1 by at least any two of the following nationally recognized statistical rating organizations: Standard & Poor's Corp. ("S&P"), Moody's Investor Services, Inc. ("Moody's"), or Fitch, Inc. ("Fitch"), or be determined by the Investment Manager to be of comparable quality and 2) all eligible securities with maturities in excess of 13 months shall be rated at least A3 or A- by at least any two of S&P, Moody's or Fitch, or be determined by the Investment Manager to be of comparable quality. The SSCF may invest up to 10 percent of its assets at time of purchase in commingled vehicles managed by State Street Global Advisors or its affiliates that conform to the Investment Policy Guidelines.

The Bank of New York (BNY) administers a portion of the securities lending program for the ATF. Certain securities from ATF are loaned to borrowers approved by the ATF Board of Trustees. Approved borrowers of securities provide acceptable cash collateral in the form of Federal funds or New York Clearing House funds as applicable for a particular loan. All security loans are open loans and can be terminated on demand by the ATF, BNY, or the borrower. The initial collateral received shall have 1) in the case of loaned securities denominated in United States Dollars, cash collateral in the amount of 103 percent of the fair value of the loaned securities or 2) in the case of loaned securities which are not denominated in United States Dollars, cash collateral in the amount of 105 percent of the fair value of the loaned securities. Pursuant to the terms of the applicable securities loan agreement, BNY shall, in accordance with BNY's reasonable and customary practices, mark loaned securities to their fair value each business day based upon the fair value of the loaned securities as of the close of business the preceding business day, employing the most recently available pricing information, and receive and deliver collateral in order to maintain the amount of cash collateral at no less than the collateral requirement. The ATF cannot pledge or sell collateral securities received unless the borrower defaults. As of September 30, 2025, the average term of the loans was 1 day. Cash collateral investments are matured as needed to fulfill loan obligations. All approved investments shall be for the account and risk of ATF. To the extent any loss arising out of approved investments results in a deficiency in the amount of collateral available for return to a borrower, ATF agrees to pay BNY on demand cash in an amount equal to such deficiency.

The following describes the manner in which BNY is authorized to invest and reinvest cash collateral for the ATF.

- Securities issued or fully guaranteed by the United States Government and any agency, instrumentality, or establishment of the United States Government ("Government Securities").
- High-grade commercial paper, notes, bonds, and other debt obligations including promissory notes, funding agreements, and guaranteed investment contracts, whether or not registered under the Securities Act of 1933, as amended. Such obligations may have fixed, floating, or variable rate interest payment provisions.
- Asset-backed securities which carry the highest credit rating by S&P or Moody's.
- Certificates of deposit, time deposits and other bank obligations of U.S. banks, their branches and subsidiaries.
- Repurchase and reverse repurchase agreements collateralized by approved investments.
- Securities, units, shares and other participation in money market funds, unregistered short-term investment funds, pools or trusts.
- Government securities have no maturity limit. Fixed rate instruments shall have a maturity of no greater than 13 months. Floating rate instruments rated "A" or "AA" shall have maturities no greater than three years with resets no less frequent than three months. Floating rate instruments rated "AAA" shall have maturities no greater than five years with resets no less frequent than three months.

Investments purchased with cash collateral are held by the custodial agent, but not in the name of the lender. Securities pledged as collateral are held by the custodial agent, but not in the name of the lender. The fair value of the securities on loan and the fair value of the collateral pledged by the borrowers are demonstrated in the securities lending table. Since the amounts owed by the State and its component units exceeded the amounts the borrowers owed, there was no credit risk exposure as of September 30, 2025. There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses, and no recoveries of prior period losses during the year.

Securities Lending - Investments Lent and Collateral Received

(Fair Value in Thousands)

Type of Investment Lent	Governmental-Type Activities	RSA Fiduciary Component Units	Other Fiduciary Funds	Discretely Presented Component Units
For Cash Collateral				
Domestic Fixed Maturities	$ 11,630,886	$ 178,183	$ 52,408,961	$ 1,222,317
Domestic Equity	8,593,164	1,105,796	53,346,841	1,660,053
International Equity	—	212,210	24,209	—
Total Lent for Cash Collateral	20,224,050	1,496,189	105,780,011	2,882,370
For Non-cash Collateral				
Domestic Fixed Maturities	25,769,026	2,817,988	269,345,015	6,832,623
Domestic Equity	52,499,585	3,995,875	276,162,832	3,493,908
International Equity	5,182,119	107,919	7,065	—
Total Lent for Non-Cash Collateral	83,450,730	6,921,782	545,514,912	10,326,531
Total Securities Lent	**$ 103,674,780**	**$ 8,417,971**	**$ 651,294,923**	**$ 13,208,901**
Type of Collateral Received				
Cash Collateral				
Cash Collateral - Invested in				
State Street Compass Fund	14,379,919	1,536,278	220,560,721	2,941,328
BNY investments	11,321,285	—	—	—
Total Cash Collateral	25,701,204	1,536,278	220,560,721	2,941,328
Non-Cash Collateral				
For Lent Domestic Fixed Maturities				
Securities Collateral				
US Dollar	13,397,912	1,255,961	223,979,013	1,374,391
For Lent Domestic Equity Securities				
Securities Collateral				
US Dollar	57,347,591	4,456,039	308,545,932	3,678,789
For Lent International Equity Securities				
Securities Collateral				
US Dollar	14,411,163	1,820,452	65,273,773	6,014,463
Total Non-Cash Collateral Received	**85,156,666**	**7,532,452**	**597,798,718**	**11,067,643**
Total Collateral Received	**$ 110,857,870**	**$ 9,068,730**	**$ 818,359,439**	**$ 14,008,971**

F. Mortgage-Backed Securities

The State of Alabama invests in mortgage-backed securities to improve yield and adjust the duration of the State's fixed income portfolio. Embedded prepayment options cause these investments to be highly sensitive to changes in interest rates. Prepayments of the underlying assets reduce the total interest payments to be received. Generally, when interest rates fall, obligors tend to prepay the mortgages thus eliminating the stream of interest payments that would have been received under the original amortization schedule. The resulting reduction in cash flow diminishes the fair value of the mortgage-backed securities.

The Alabama Trust Fund (ATF) invests in TBA (to be announced) purchase commitments, pursuant to which it agrees to purchase mortgage-backed securities. The TBA market developed in response to the demands of market participants for more liquidity in trading mortgage-backed securities. The TBA market is essentially a forward or delayed delivery market. The lender, or other market participant, will enter into a forward contract to sell mortgage-backed securities in the TBA market, promising to deliver mortgage-backed securities on the settlement date sometime in the future. At September 30, 2025, the ATF had no investments in TBA mortgage-backed securities. Included in investment purchases payable on the Statement of Net Position is a liability related to the cost of acquiring these securities. Generally, these securities are closed with a gain or loss prior to settlement. However, the ATF would be obligated for those amounts should the securities be delivered.

G. Investment Derivatives

The Retirement Systems of Alabama (RSA) - The RSA enters into call and put options. The RSA uses these derivative instruments to make an investment, control risk with certain investment positions, or as a yield enhancement strategy. During the fiscal year, these investment derivative instruments were used exclusively within the RSA's domestic and international equity portfolios and are presented in the financial statements in their respective equity classifications. These derivative instruments are either listed options or executed in the over-the-counter (OTC) market using only credit worthy counterparties. The fair value of the investment derivatives is based on market prices. Investment risks related to investment derivatives have been considered and included in the respective investment risks notes above in Note 4.C.

The following table presents the derivative instruments outstanding as of September 30, 2025 for RSA:

Investment Derivative Instruments
(Amounts in thousands)

	Changes in Fair Value §	Fair Value as of September 30, 2025	
	Amount	Amount	Notional
TRS			
Domestic Options Written	$ (134)	$ (134)	$ 18,525
ERS			
Domestic Options Written	(72)	(72)	9,975
Total Derivatives	**$ (206)**	**$ (206)**	**$ 28,500**

§ Included in Unrestricted Investment Earnings in the Statement of Activities and Investment Income in the Statement of Revenues, Expenditures, and Changes in Net Position.

Alabama Trust Fund (ATF) - Derivatives can be used by the ATF's investment managers to manage cash positions, gain broad stock or bond market exposure and to manage risks with certain investment positions. The ATF Investment Policy allows derivative instruments to be used provided that the collateral is held in highly liquid securities and that they do not create the effect of leverage in the portfolio.

GASB Statement No. 53 requires that the fair value of the financial arrangements called "derivatives" or "derivative instruments" be reported in the financial statements of state and local governments. The statement further requires that derivatives be categorized as either an investment derivative or a hedge derivative. The ATF had no derivative exposures as of September 30, 2025 categorized as investment derivatives and therefore the hedge accounting provisions of GASB Statement No. 53 are not applicable.

All derivative instruments are presented in the Statement of Net Position as Investments and are reported at fair value. ATF's custodian, Bank of New York (BNY), uses market prices when available. If market pricing is not available, BNY uses pricing provided by Alabama Trust Funds' investment managers. Investment risks related to investment derivatives have been considered and included in the respective investment risk note above in Note 4.C, except for additional disclosures for interest rate and credit risk, which have been included in this section.

GASB Statement No. 53 requires the disclosure of the maximum amount of loss due to credit risk, based on the fair value of the instrument at the end of the fiscal year. The maximum amount of loss associated with all derivatives held by the ATF is $0. GASB Statement No. 53 also requires additional interest rate risk disclosures for investment derivatives that are highly sensitive to interest rate fluctuations. As mentioned above, these disclosures are included in Note 4.C.

For the Fiscal Year Ended September 30, 2025

H. Capital Assets

Historical costs for infrastructure assets are included in this report. The State elected to include the historical costs of all infrastructure assets, not just assets capitalized since 1980, as required by GASB Statement No. 34. The State capitalizes infrastructure when all costs for a project are incurred and all project documentation is completed and filed with the appropriate entities. Due to the documentation requirements, there can be substantial time lags between the date a project is put into service and the date the project is capitalized. A significant portion of Infrastructure Construction in Progress consists of projects that have been put into service and maintenance costs could have been incurred but the project documentation is not complete.

As of September 30, 2025, the capital assets for the Primary Government and the Component Units are presented in the following three tables:

GOVERNMENTAL-TYPE ACTIVITIES
(Amounts in Thousands)

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Capital Assets not being depreciated:				
Land	$ 534,040	$ 4,128	$ 0	$ 538,168
Historical Exhibits	4,127	—	—	4,127
Construction in progress	668,509	62,367	161,019	569,857
Construction in progress - Infrastructure	1,909,736	588,217	118,920	2,379,033
Infrastructure	19,460,051	118,920	—	19,578,971
Intangible Assets under Development	173,220	1,753	—	174,973
Total Capital Assets not being depreciated	**22,749,683**	**775,385**	**279,939**	**23,245,129**
Capital Assets being depreciated:				
Buildings	2,168,674	214,567	24	2,383,217
Equipment	905,984	118,199	61,432	962,751
Software and Other Intangible Assets	122,843	—	—	122,843
Total Capital Assets being depreciated	**3,197,501**	**332,766**	**61,456**	**3,468,811**
Less accumulated depreciation:				
Buildings	1,014,567	51,187	—	1,065,754
Equipment	540,063	76,069	50,517	565,615
Software and Other Intangible Assets	68,541	8,632	—	77,173
Total accumulated depreciation	**1,623,171**	**135,888**	**50,517**	**1,708,542**
Total Capital Assets being depreciated, Net	**1,574,330**	**196,878**	**10,939**	**1,760,269**
Capital Assets, Net	**24,324,013**	**972,263**	**290,878**	**25,005,398**

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For the Fiscal Year Ended September 30, 2025

Intangible Right-to-Use Assets being amortized				
Leased - RTU Assets	558,225	232,842	36,544	754,523
Subscription-based IT	12,897	398	178	13,117
Total Right-to-Use Assets Being Amortized	**571,122**	**233,240**	**36,722**	**767,640**
Less accumulated amortization				
Lease -RTU Assets	166,280	69,264	27,879	207,665
Subscription-based IT	4,346	2,444	178	6,612
Total accumulated amortization	**170,626**	**71,708**	**28,057**	**214,277**
Total Intangible Right-to Use Assets, Net	**400,496**	**161,532**	**8,665**	**553,363**
Governmental-type activities Capital Assets and Intangible Right-to-Use Assets, Net	**$ 24,724,509**	**$ 1,133,795**	**$ 299,543**	**$ 25,558,761**

Depreciation Expense for the current year is charged as follows:	
Economic Development and Regulation	7,245
Social Services	31,279
Education and Cultural Resources	15,161
Natural Resources and Recreation	14,488
Health	21,872
General Government	25,038
Protection of Persons and Property	50,568
Transportation	41,945
Total Depreciation Expense	207,596

BUSINESS-TYPE ACTIVITIES
(Amounts in Thousands)

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Capital Assets not being depreciated:				
Land	$ 280	$ 0	$ 0	$ 280
Historical Exhibits	2,199	—	17	2,182
Construction in progress	—	72	—	72
Intangible Assets Under Development	—	—	—	—
Inexhaustible Intangible Assets	—	—	—	—
Total Capital Assets not being depreciated	**2,479**	**72**	**17**	**2,534**
Capital Assets being depreciated:				
Buildings	25,934	83	—	26,017
Equipment	19,115	4,148	517	22,746
Software and Other Intangible Assets	7,582	—	—	7,582
Total Capital Assets being depreciated	**52,631**	**4,231**	**517**	**56,345**

For the Fiscal Year Ended September 30, 2025

Less accumulated depreciation				
Buildings	13,588	591	—	14,179
Equipment	11,675	1,667	482	12,860
Software and Other Intangible Assets	7,582	—	—	7,582
Total accumulated depreciation	**32,845**	**2,258**	**482**	**34,621**
Total Capital Assets being depreciated, Net	**19,786**	**1,973**	**35**	**21,724**
Capital Assets, Net	**22,265**	**2,045**	**52**	**24,258**
Intangible Right-to-Use Assets being amortized				
Lease - RTU Asset	77,526	31,649	8,645	100,530
Subscription-Based IT	—	—	—	—
Total Right-to-Use Assets being amortized	**77,526**	**31,649**	**8,645**	**100,530**
Less accumulated amortization				
Lease - RTU Asset	24,637	11,050	6,443	29,244
Subscription-Based IT	—	—	—	—
Total accumulated amortization	**24,637**	**11,050**	**6,443**	**29,244**
Intangible Right-to-Use Assets, Net	**52,889**	**3**	**2,202**	**71,286**
Business-type activities Capital Assets and Intangible Right-to-Use Assets, Net	**$ 75,154**	**$ 2,048**	**$ 2,254**	**$ 95,544**

Depreciation Expense for the current year is charged as follows:	
State Port Authority	0
Alcoholic Beverage Control Board	11,353
Other Nonmajor Enterprise Funds	1,955
Total Depreciation Expense	13,308

Note: In fiscal year 2025, State Port Authority was transferred from a major Enterprise Fund to a non-major Component Unit.

Continued on next page...

For the Fiscal Year Ended September 30, 2025

COMPONENT UNITS
(Amounts in Thousands)

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Capital Assets not being depreciated:				
Land	$ 544,930	$ 23,731	$ 3,365	$ 565,296
Historical Exhibits	146,100	1,279	819	146,560
Construction in progress	1,433,769	1,217,623	1,002,278	1,649,114
Inexhaustible Intangible Assets	10	—	—	10
Total Capital Assets not being depreciated	**2,124,809**	**1,242,633**	**1,006,462**	**2,360,980**
Capital Assets being depreciated:				
Buildings	16,604,873	1,449,096	25,556	18,028,413
Equipment	4,194,472	424,286	132,097	4,486,661
Software and Other Intangibles	163,670	2,759	1,986	164,443
Total Capital Assets being depreciated	**20,963,015**	**1,876,141**	**159,639**	**22,679,517**
Less accumulated depreciation				
Buildings	6,884,974	447,151	20,935	7,311,190
Equipment	3,099,347	242,780	121,674	3,220,453
Software and Other Intangible Assets	91,834	1,872	729	92,977
Total accumulated depreciation	**10,076,155**	**691,803**	**143,338**	**10,624,620**
Total Capital Assets being depreciated, Net	**10,886,860**	**1,184,338**	**16,301**	**12,054,897**
Capital Assets, Net	**13,011,669**	**2,426,971**	**1,022,763**	**14,415,877**
Intangible Right-to-Use Assets being amortized				
Lease - RTU Asset	769,584	114,244	37,391	846,437
Subscription-Based IT	378,057	115,218	46,728	446,547
Total Right-to-Use Assets being amortized	**1,147,641**	**229,462**	**84,119**	**1,292,984**
Less accumulated amortization				
Lease - RTU Asset	189,232	86,051	17,337	257,946
Subscription-Based IT	172,267	107,051	45,390	233,928
Total accumulated amortization	**361,499**	**193,102**	**62,727**	**491,874**
Intangible Right-to-Use Assets, Net	**786,142**	**36,360**	**21,392**	**801,110**
Component Units Capital Assets and Intangible Right-to-Use Assets, Net	**$ 13,797,811**	**$ 2,463,331**	**$ 1,044,155**	**$ 15,216,987**

Depreciation Expense for the current year is charged as follows:

University of Alabama	373,248
Auburn University	159,315
University of South Alabama	104,287
ACCS	97,137
Other Nonmajor Component Units	150,918
Total Depreciation Expense	884,905

The following table represents the breakdown of Intangible Right -to-Use Assets for Primary Government and Component Units as of September 30, 2025.

Leases - RTU Assets - Net

(Amounts in Thousands)

Category	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Land	$ 0	$ 0	$ 0	$ 1,794
Offices, Buildings and Other Space	546,858	71,286	618,144	484,286
Equipment	—	—	—	102,412
Subscription-Based IT	6,505	—	6,505	212,618
Totals - Lease - RTU Assets - Net	**$ 553,363**	**$ 71,286**	**$ 624,649**	**$ 801,110**

I. Lease Receivable

Auburn University lease receivables comprise of $13.5 million in ground leases, $5.8 million in building leases, and the remainder is office furniture and equipment. Troy University lease receivables consist of facility lease agreements with multiple third-party organizations totaling $13,810. The University of South Alabama has three ground leases that account for $15.2 million of their total lease receivable. The Alabama Space and Rocket Center lease receivable is an agreement with the City of Huntsville for the use of a cell phone tower. The Alabama Community College System (ACCS) lease receivables are for building space and a radio tower. University of Alabama Huntsville lease receivables are for facilities and land.

The State Port Authority lease receivable is compromised of concessionaire agreements and other lease agreements. Concessionaire agreements are covered by confidentiality agreements. Under those agreements lessees are operating facilities on the Authority's property for longer lease terms and payment terms include clauses related to the lessee's annual throughput volumes. The other lease arrangements represent relatively shorter lease terms with fixed or variable revenue components.

LEASE RECEIVABLES
Component Unit-type Activities
(Amounts in Thousands)

Maturity	Principal	Interest	Total
2026	$ 22,614	$ 12,536	$ 35,150
2027	15,178	12,271	27,449
2028	18,762	11,442	30,204
2029	17,420	10,811	28,231
2030	14,200	10,272	24,472
2031-2035	55,086	45,551	100,637
2036-2040	47,871	37,368	85,239
2041-2045	48,990	28,543	77,533
2046-2050	45,918	20,031	65,949
2051-2055	47,870	10,546	58,416
2056-2060	20,594	3,928	24,522
2061-2065	952	2,627	3,579
2066-2070	1,969	2,233	4,202
2071-2075	3,258	1,657	4,915
2076-2080	4,432	866	5,298
2081-2085	2,470	169	2,639
2086-2090	—	—	—
Total	**$ 367,584**	**$ 210,851**	**$ 578,435**

NOTE 5 - LIABILITIES

A. Future Commitments

1. Construction Projects

a. Primary Government
At September 30, 2025, the Department of Transportation had construction and maintenance contracts of $2.67 billion. The amount already performed was $1.65 billion, leaving an outstanding balance of $1.01 billion. The funding sources for this amount are 73 percent federal funds and 27 percent State and local funds.

b. Component Units
The University of Alabama at Birmingham had construction and renovation commitments remaining at September 30, 2025 of approximately $525 million, which is expected to be financed from private gifts, grants, bond proceeds, and University of Alabama at Birmingham reserves.

Auburn University has entered into projects for the construction and renovation contracts for various facilities that are estimated to cost approximately $741.2 million. At September 30, 2025, the estimated remaining cost to complete the projects was approximately $208.2 million which will be funded from University funds and bond proceeds.

The University of Alabama at Tuscaloosa had construction and renovation contract commitments for several facilities at September 30, 2025. The estimated remaining costs to complete the construction and renovation was approximately $240.1 million which is expected to be financed from private gifts, grants, bond proceeds, and University funds.

At September 30, 2025, the University of South Alabama had commitments of approximately $129.9 million for various capital projects.

The University of Alabama at Huntsville has contracted for renovation and addition for various facilities that are estimated to cost $104.4 million as of September 30, 2025. The remaining costs are expected to be funded by University bond proceeds, donations, and state sources.

As of September 30, 2025, the University of West Alabama had commitments for renovations of academic and administrative facilities and various infrastructure improvements. The estimated cost to complete the projects was approximately $24.5 million which is expected to be funded through a combination of state appropriations and institutional resources.

The State Port Authority has contracts for several other projects with estimated costs to complete of approximately $500 million.

2. Economic Development
The State has made a variety of economic development grant commitments to the private sector to finance the cost of industries locating and expanding in the State, as well as the costs of training employees.

As of September 30, 2025, the State has committed to funding economic development grants and training totaling $50,450,000. Available cash for these commitments includes General Obligation bonds, $840,964 from the 2018-A General Obligation bonds $738,785 from the 2018-B General Obligation bonds, and $311,752 from the 2022-A General Obligation bonds. The State anticipates that of these commitments, $5,800,000 will be paid in fiscal year 2026 and $43,650,000 will be paid thereafter.

3. Encumbrances
Encumbrances represent commitments related to unperformed contracts and purchase orders for goods and services. Encumbrances are reported within governmental funds as restricted, committed, or assigned fund balance. At September 30, 2025, there were encumbrances in the General Fund totaling $16,287,000, the Education Trust Fund $3,491,000, the Medicaid Fund $16,253,000, the Public Welfare Trust Fund $19,115,000, the Alabama Trust Fund $934,000, and non-major governmental funds $133,791,000.

B. Claims and Judgments

The Department of Transportation finances its own risk for state employee injury compensation. The Department had $9,431,000 in claims liabilities at the end of the fiscal year.

C. Pollution Remediation Obligations

Auburn University conducts groundwater monitoring, monitored natural attenuation and clean-up in accordance with the Resource Conservation and Recovery Act (RCRA) and the Toxic Substances and Control Act. Additionally, asbestos abatement is necessary as older buildings on campus are demolished or renovated. The University, with the assistance of an outside consultant, prepared a 30-year Post Closure Cost Estimate related to all active and inactive solid waste management units managed through the University RCRA Facility permit. As of September 30, 2025, the total estimated pollution remediation liability (estimated using the expected cash-flow technique) is $7,233,000. The current portion of $3,109,000 is included in accounts payable and the long-term portion of $4,124,000 is included in Non-current Liabilities: Due In More Than One Year in the accompanying Statements of Net Position. The University does not expect to recover any funds from insurance or other third parties related to these obligations.

D. Conduit Debt

Revenue bonds were issued by Alabama Housing Finance Authority, a component unit, which constituted conduit debt outstanding at year-end totaling $201,905,000 to provide multifamily housing for the citizens of Alabama. The Authority does not actively monitor the operating performance or financial condition of the multifamily properties financed by the bonds. Multifamily mortgage loans are collateralized by varying methods, including first-liens on multifamily residential rental properties located within the State of Alabama, letters of credit, surety bonds and guarantees provided by third parties. These bonds do not constitute a debt or pledge of the faith and credit of the Authority or the State, and accordingly, have not been reported in the accompanying financial statements.

E. Long-term Debt

1. Debt Limitations and Methods of Bond Issuance

Under Section 213 of the *Constitution of Alabama of 1901*, as modified by Amendment 26, the State is constitutionally prohibited from incurring debt except to repel invasion or suppress insurrection. Therefore, the only method under which general obligation debt can be incurred is by amendment to the *Constitution*. Although conventions proposed by the legislature and approved by the electorate may be called for the purpose of amending the *Constitution*, historically all amendments have been adopted by a procedure which requires them to be proposed by a three-fifths majority of each house of the legislature and thereafter ratified by a majority of the electorate.

The Supreme Court of Alabama has ruled that debt prohibition does not apply to debts incurred by separate public corporations functioning as state instrumentalities. The State has followed the practice of financing many capital improvements and developmental grant programs by issuing debt through such public corporations. The legislature (through enabling legislation) and the Governor (by executive order) have created public corporations and authorities of the State for the purpose of financing projects and programs such as public highways, public educational facilities, judicial buildings, affordable housing, economic development grants, and other projects. In most instances, state officials such as the Governor, Lieutenant Governor, Attorney General, State Treasurer, and the Director of Finance serve as board members of these corporations. The revenue bonds issued by these corporations are limited obligations of the corporation, not general obligations of the State, and the full faith and credit of the State is not pledged for their repayment. Certain revenues, usually earmarked taxes or revenues generated from the project financed are pledged for the payment of the debt. These corporations are reported by blending them with the primary government. The State also enters into lease purchase agreements which are reported in accordance with generally accepted accounting principles as capital lease debt or notes payable.

For the Fiscal Year Ended September 30, 2025

2. General Obligation Bonds - Governmental Activities

The State has general obligation bond issues outstanding for the purpose of financing major capital projects for: State Port Authority's facilities, roads, bridges, Mobile harbor, state parks, youth services facilities, state buildings, conservation and preservation projects, forensic sciences laboratories, agricultural development, diagnostic and research laboratories, improvements to the State's National Guard Armory and historical projects. General obligation bonds also finance grant programs for public school and college buildings, as well as economic development grants to industry and local government. The full faith and credit of the State is pledged for the payment of the bonds. The following schedule shows the general obligation annual debt service requirements and is followed by a detailed table describing each individual general obligation bond issue outstanding:

GENERAL OBLIGATION BONDS
Debt Service Requirements to Maturity
(Amounts in Thousands)

Maturity	Principal	Interest	Total
2026	$ 49,770	$ 16,456	$ 66,226
2027	48,635	14,577	63,212
2028	27,965	12,248	40,213
2029	23,625	11,059	34,684
2030	24,715	9,918	34,633
2031-2035	110,035	34,380	144,415
2036-2040	79,205	12,448	91,653
2041-2045	18,735	1,436	20,171
	382,685	**$ 112,522**	**$ 495,207**
Unamortized Premium	24,641		
Totals	**$ 407,326**		

GENERAL OBLIGATION BONDS PAYABLE
(Amounts in Thousands)

General Obligation Issue (Amounts in Thousands)	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2025
Series 2013-A - Refunding Bonds	08/01/13	08/01/25	0.20 % to 3.30%	$ 0
Series 2013-B	08/01/13	08/01/33	0.20 to 4.40	—
Series 2014-A - Refunding Bonds	08/01/14	08/01/26	0.60 to 2.60	24,445
Series 2016-A	02/24/16	11/01/36	0.56 to 3.14	75,840
Series 2016-C - Refunding Bonds	10/06/16	08/01/32	1.19 to 2.64	79,645
Series 2018-A	12/06/18	11/01/38	2.49 to 3.21	98,360
Series 2018-B	12/06/18	11/01/26	2.85 to 3.45	9,045
Series 2018-C	12/06/18	11/01/23	1.91 to 2.24	—
Series 2022-A - Direct Placement	10/21/22	11/01/27	3.68 to 3.68	15,550
Series 2022-B	10/27/22	11/01/42	3.15% to 4.25%	79,800
Sub-total General Obligation Bonds				382,685
‡ Plus: Unamortized Premiums				24,641
Total General Obligation Bonds				**$ 407,326**

‡ Unamortized premiums of $364 for Series 2014-A,
$4,109 for Series 2016-A, $5,060 for Series 2016-C, $9,669 for Series 2018-A, and $5,439 for Series 2022-B,

3. Revenue Bonds

a. Primary Government - Governmental Activities

The Alabama Corrections Institution Finance Authority issues bonds for the purposes of acquiring land and constructing correctional institutions. The bonds are payable from revenues derived from payments under a lease agreement between the Authority and the Department of Corrections.

The Alabama Building Renovation Finance Authority issues bonds to provide funding for the renovation, reconstruction, operation, and maintenance of public office buildings in the state capitol complex. The Authority also receives income from the rental of the office buildings to state agencies. The bonds issued by the Authority are payable from the rents received by the authority under lease agreements.

The Alabama Judicial Building Authority issues bonds for the purpose of funding the acquisition, construction, and capital improvements of judicial facilities. The bonds are payable from revenues and receipts paid by the Judicial System pursuant to the lease and earnings, if any, on funds held by the State Treasurer.

The Alabama Public Health Care Authority issues bonds for the purpose of funding the acquisition, construction, and equipping of buildings located in each county for the use of the Department of Public Health. Transfers received from the Department of Public Health, along with income from investing idle funds are used for the payment of principal and interest on the bonds. A Municipal Bond Insurance Policy also guarantees payment of the bonds.

The Alabama Federal Aid Highway Finance Authority issues bonds for the purpose of funding the costs of constructing any roads, streets, parks, right of ways, bridges, railroad crossings, drainage structures, signs, guard rails, structures, interstates, surfaces, resurfaces, shoulders, road sides, or any other work which is eligible for federal aid financing assistance under Title 23, Chapter 1, of the United States Code and applicable regulations. The bonds are issued in anticipation of the receipt by the State of the federal share of the costs. Principal and interest paid for the current year and federal revenue were $108,905,000 and $1,208,851,000, respectively.

The Alabama Incentives Finance Authority issues bonds to fund financial commitments to industries relocating to Alabama under the terms of the State's Industrial Incentives legislation. Revenues from the Tennessee Valley Authority to the State "in lieu of taxes" are pledged for the payment of these bonds. Principal and interest paid for the current year and the "in lieu of taxes" revenue were $15,634,000 and $15,567,000, respectively.

The Alabama Public School and College Authority is authorized to issue bonds to construct and improve educational buildings. Revenue from the sales and use taxes, the leasing tax, and the utilities gross receipts and use taxes are pledged for the payment of these bonds. Principal and interest paid for the current year was $232,090,000. Sales taxes, use taxes, leasing taxes, and utilities gross receipts and use taxes for the current year were $3,427,002,000.

The Alabama Mental Health Finance Authority issues bonds for the acquisition, construction, improvement, and equipping of mental health facilities. Revenues from certain tobacco and liquor taxes are pledged for the payment of principal and interest on these bonds. There were no principal and interest paid for the current year as the bonds were paid off as of June 2023. Tobacco and liquor taxes for the current year were $42,351,000.

The Alabama Revolving Loan Fund Authority issues bonds for the purpose of making grants to the Regional Planning and Development Commissions which are utilized by the grantees as revolving loan funds. Revenues from privilege and license tax on providers of cellular radio telecommunication services are used to pay the debt. Principal and interest paid for the current year and cellular radio telecommunication privilege and license taxes were $1,352,000 and $22,474,000, respectively.

The Alabama Highway Finance Corporation issues bonds for the purpose of funding the state's share of the cost of constructing roads and bridges that the federal government and state funds jointly. The 0.07 gasoline tax, 0.13 diesel fuel tax, 0.06 diesel fuel tax, motor carrier tax, inspection fees, and identification marker fees are used to pay the debt. Principal and interest paid for the current year and specified taxes were $7,862,000 and $405,898,000 respectively.

The Alabama Economic Settlement Authority issued bonds to deposit funds in the Alabama Trust Fund and the General Fund Rainy Day Account, to provide additional funds to the Alabama Medicaid Agency, for the payment of cost of certain transportation projects, and to create a special fund to be known as the BP Settlement Fund. Settlement of claims against BP Exploration and Production, Inc. and proceeds from the bonds issuance will be used for payment of the bond principal and interest. Principal and interest paid for the current year and the BP settlement revenue totaled $53,921,000 and $53,333,000, respectively.

PRIMARY GOVERNMENT

Governmental Activities Revenue Bonds (Amounts in Thousands)	**Date Issued**	**Final Maturity Date**	**Interest Rates**	**Bonds Payable Sept. 30, 2025**
Alabama Building Renovation Finance Authority				
Series 2010	07/21/10	09/01/24	2.50 % to 4.00%	$ 0
Alabama Public Health Care Authority				
Series 2015	03/12/15	09/01/44	2.00 to 5.00	47,445
Series 2016	04/24/16	09/01/35	0.75 to 3.12	13,795
Alabama Federal Aid Highway Finance Authority				
Series 2021-A	10/7/21	09/01/37	1.39 to 1.53	20,440
Series 2021-B	10/07/21	09/01/37	0.23 to 2.41	732,360
Series 2025-A	03/18/25	03/01/45	2.70 to 4.21	250,000
Series 2025-B	03/18/25	09/01/36	2.70 to 3.45	340,590
Alabama Incentives Finance Authority				
Series 2009-B Refunding Bonds	09/17/09	09/01/29	1.93 to 4.00	30,030
Series 2019-A Refunding Bonds	09/01/19	09/01/29	1.27 to 1.83	9,625
Series 2019-B Refunding Bonds	09/01/19	09/01/42	2.15 to 3.07	127,890
Alabama Corrections Institute Finance Authority				
Series 2022-A	06/28/22	07/01/52	1.50 to 4.11	450,610
Alabama Public School and College Authority				
Series 2009-D	12/03/09	12/15/25	3.70 to 3.70	145,880
Series 2010-Q - Direct Placement	09/14/10	03/01/27	5.15 to 5.15	154,727
Series 2011-A	06/02/11	05/01/26	4.60 to 4.60	51,270
Series 2012-A	02/29/12	03/01/24	3.00 to 5.00	—
Series 2013-A	06/24/13	06/01/33	3.00 to 5.00	—
Series 2013-B	06/24/13	06/01/33	4.00 to 5.00	—
Series 2013-D	10/09/13	09/01/33	0.45 to 4.25	1,300
Series 2014-A	05/15/14	02/01/26	0.20 to 2.72	2,785
Series 2014-B	07/01/14	01/01/27	1.26 to 2.80	137,570
Series 2015-A	04/16/15	05/01/24	1.45 to 2.17	—
Series 2015-B	04/16/15	05/01/29	1.27 to 3.23	19,005
Series 2015-C	04/16/15	06/01/29	0.37 % to 2.98%	12,900
Sub-Total (Continued on next page)				2,548,222

For the Fiscal Year Ended September 30, 2025

PRIMARY GOVERNMENT, Continued

Governmental Activities Revenue Bonds (Amounts in Thousands)	**Date Issued**	**Final Maturity Date**	**Interest Rates**	**Bonds Payable Sept. 30, 2025**
Sub-Total from previous page				**$2,548,222**
Alabama Public School and College Authority (Continued)				
Series 2016-A	06/23/16	06/01/36	0.75 % to 3.00 %	18,920
Series 2017-A	10/24/17	12/01/37	1.05 to 3.24	13,660
Series 2019-A	05/15/19	05/01/39	1.53 to 3.05	20,440
Series 2020-A	10/22/20	11/01/40	0.03 to 1.98	1,160,820
Series 2020-C	10/22/20	11/01/35	0.25 to 2.44	129,445
Series 2022-A	05/18/22	05/01/42	2.20 to 4.25	32,920
Series 2024-A	09/10/24	09/01/44	2.44 to 4.04	32,610
Alabama Revolving Loan Fund Authority				
Series 2021 - Refunding Bonds - Direct Placement	1/12/2022	3/1/2030	various	6,432
Alabama Highway Finance Corporation				
Series 2020A	08/04/20	08/01/40	0.11 to 1.37	81,630
Alabama Economic Settlement Authority				
Series 2016-A	12/01/16	09/01/33	4.24 to 4.29	80,925
Series 2016-B	12/01/16	09/01/32	3.16 % to 4.26%	281,935
Sub-total Revenue Bonds Payable				$ 4,407,959
§ Plus: Unamortized Premiums				355,115
† Less: Unamortized Discounts				(1,206)
Net Primary Government Revenue Bonds Payable, Governmental Activities				**$ 4,761,868**

§ Unamortized premium is $65,390 for Federal Aid Highway Finance Authority, $2,921 for the Alabama Public Health Care Authority, $231,193 for the Alabama Public School and College Authority, $868 for the Incentives Financing Authority, $35,363 for the Corrections Institute Finance Authority and $19,380 for the Alabama Highway Finance Corp.

† Unamortized discount is $1,206 for the Alabama Settlement Authority.

For the Fiscal Year Ended September 30, 2025

Revenue Bonds
Governmental-type Activities
Debt Service Requirements to Maturity
(Amounts in Thousands)

	Totals		Public Offerings		Direct Placements	
Maturity	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 486,433	$ 189,886	$ 485,185	$ 181,816	$ 1,248	$ 8,070
2027	462,989	162,500	306,995	154,452	155,994	8,048
2028	308,080	141,921	306,795	141,864	1,285	57
2029	255,722	130,583	254,415	130,549	1,307	34
2030	255,855	120,453	254,530	120,441	1,325	12
2031-2035	1,257,670	446,123	1,257,670	446,123	—	—
2036-2040	830,210	209,072	830,210	209,072	—	—
2041-2045	413,085	77,406	413,085	77,406	—	—
2046-2050	107,125	21,972	107,125	21,972	—	—
2051-2055	30,790	2,445	30,790	2,445	—	—
	4,407,959	**$ 1,502,361**	4,246,800	**$ 1,486,140**	161,159	**$ 16,221**
Unamortized Premiums	355,115		355,115		—	
Unamortized Discounts	(1,206)		(1,206)		—	
Totals	**$ 4,761,868**		**$ 4,600,709**		**$ 161,159**	

b. Component Units

The Alabama Housing Finance Authority issues bonds that are limited obligations of the Authority and are not a debt or liability of the State. Each bond issue is secured, as described in the applicable trust indenture, by all revenues, monies, investments, mortgage loans, and other assets in the funds and accounts of the program. Substantially all of the Authority's assets are pledged as security for the bonds.

The Alabama Water Pollution Control Authority issues bonds to provide funds for the purpose of making loans to certain local government units to construct sewage treatment plants and related facilities. Proceeds from loan agreements are used for payment of debt service related to the bonds.

The Alabama Drinking Water Finance Authority issues bonds to provide funds which are used to make loans to local governments for planning, designing, acquiring, or constructing sanitary drinking water and related facilities. Proceeds from the loan agreements are used for payment of debt service related to the bonds.

The boards of the various institutions of higher education have numerous bond issues outstanding for a variety of purposes. Most were issued for the construction, renovation, and acquisition of buildings for various purposes, including classrooms, research facilities, dormitories, student centers, dining facilities, hospitals, and athletic facilities.

For the Fiscal Year Ended September 30, 2025

COMPONENT UNITS Revenue Bonds (Amounts in Thousands)	Date Issued	Final Maturity Date	Interest Rates			Bonds Payable Sept. 30, 2025
Alabama Housing Finance Authority						
Single Family Bond Programs	2000-2016	2026-2036	2.43 %	to	7.80%	$ 453,017
Alabama Water Pollution Control Authority						
Revolving Fund Loan Bonds	2010-2011	2021-2023	2.00 %	to	4.00%	—
Alabama Drinking Water Authority						
Revolving Fund Loan Bonds	2014-2015	2024-2027	2.00	to	5.00	4,820
State Port Authority						
Public Offerings	2017	2035-2040	1.12%		4.72%	221,625
Direct Placements	2020	2040	1.19%		1.19%	53,212
Alabama Space Science Exhibit Finance Authority	2022	2042	2.44	to	2.44	12,838
Higher Education						
University of Alabama - Tuscaloosa	2010-2024	2024-2054	1.32	to	5.88	1,158,005
University of Alabama - Birmingham						
Public Offerings	2012-2022	2024-2052	1.94	to	5.00	984,705
Direct Placements	2022	2027	3.05	to	3.05	7,949
University of Alabama - Huntsville	2013-2023	2025-2048	1.50	to	5.00	113,465
Athens State	2021	2022-2031	1.75	to	1.75	3,192
Alabama State University	2009-2022	2039-2042	2.40	to	5.40	124,575
Auburn University	2012-2022	2024-2050	0.45	to	5.00	1,007,498
Jacksonville State University	2016-2020	2033-2051	various			341,162
University of West Alabama	2012-2020	2041-2042	various			44,390
University of Montevallo	2017-2019	2035-2047	1.75	to	5.00	52,174
University of North Alabama	2012-2021	2035-2044	0.48	to	5.00	104,310
Alabama Community College System						
Public Offerings	various	various	various			392,713
Direct Placements	various	various	various			8,024
University of South Alabama	2013-2023	2024-2049	1.40	to	5.00	434,818
Troy University						
Public Offerings	2015-2022	2030-2036	various			113,220
Direct Placements	2010-2014	2024-2028	various			4,745
Alabama Transportation Infrastructure Board						
Public Offerings	2022-2023	2038-2042	1.90	to	4.20	70,375
Direct Placements	2022	2037	2.88%	to	2.88%	5,215
Total Revenue Bonds Payable						5,716,049
Plus: Unamortized Premium §						288,733
Less: Unamortized Discounts †						(253)
						$ 6,004,529

† Unamortized discounts were $— for the University of North Alabama.
§ Unamortized premiums were $56,230 for the University of Alabama - Tuscaloosa, $64,170 for Auburn University, $46,091 for the University of South Alabama, $7,322 for Alabama State University, $40,200 for the University of Alabama - Birmingham, $2,744 for the University of West Alabama, $7,659 for Jacksonville State University, $63 for the Alabama Drinking Water Authority, $9,105 for Troy University, $9,004 for the University of Alabama - Huntsville, $8,337 for the University of North Alabama, $23,413 for the Alabama Combined College System, $3,882 for the Alabama Transportation Infrastructure Board and $2,174 for the University of Montevallo, and $8,339 for the State Port Authority.

For the Fiscal Year Ended September 30, 2025

Revenue Bonds
Component Units
Debt Service Requirements to Maturity
(Amounts in Thousands)

	Totals		Public Offerings		Direct Placements	
Maturity	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 250,898	$ 214,919	$243,381	$ 212,890	$ 7,517	$ 2,029
2027	232,161	208,616	224,407	206,781	7,754	1,835
2028	240,665	199,828	228,143	198,256	12,522	1,572
2029	239,139	189,747	233,012	188,490	6,127	1,257
2030	278,797	200,798	275,277	199,689	3,520	1,109
2031-2035	1,660,640	966,043	1,641,564	961,988	19,076	4,055
2035-2040	1,199,437	399,252	1,179,603	397,855	19,834	1,397
2041-2045	716,438	201,936	713,643	201,933	2,795	3
2046-2050	739,412	83,953	739,412	83,953	—	—
2051-2055	156,592	18,152	156,592	18,152	—	—
2056-2060	1,870	48	1,870	48	—	—
2061-2065	—	—	—	—	—	—
	5,716,049	**$ 2,683,292**	5,636,904	**$ 2,670,035**	79,145	**$ 13,257**
Unamortized Premiums	288,733		288,733		—	
Unamortized Discounts	(253)		(253)		—	
Totals	**$ 6,004,529**		**$ 5,925,384**		**$ 79,145**	

4. Refunded Bonds

Advance refunding bonds are issued to retire existing bonds. A portion of the proceeds from the sale of the refunding bonds is deposited with an escrow agent according to an escrow trust agreement. The proceeds are invested by the escrow agent in certain U.S. Treasury obligations in such amounts with certain maturities to provide sufficient funds to pay the remaining maturing principal and interest on the refunded bonds as they become due. The refunded bond debt is considered to be retired for financial reporting purposes even though the debt is still legally outstanding and the issuer of the bonds has not been released from the debt obligations. The U.S. Treasury obligations constitute a trust fund to be held by the escrow agent for the benefit of the holders of the refunded bonds. Advance refundings and early redemptions are discussed in the remainder of this section.

In fiscal year 2025, the Alabama Federal Aid Highway Finance Authority (FAHFA) issued revenue bond series 2025B bonds ($340,590,000 principal and $35,885,223 in premium) to partially refund $415,270,000 of outstanding revenue bond series 2021B FAHFA bonds. $359,830,000 in bonds were extinguished ($323,183,000 in principal was paid off and $37,194,000 in redemption discount). $51,383,000 was deposited with an escrow agent in order to advance refund $55,440,000. The refunding resulted in a cash flow savings of $25,157,000 and a present value savings of $17,084,000.

a. Component Units

On March 11, 2025, Auburn University issued 2025B General Fee Bonds of $207,525,000 with an interest rate of 5.0% were to refund $24,505,000 of outstanding bonds. A portion of the proceeds from the new bonds was deposited in an irrevocable trust fund. The refunding resulted in the University recognizing a gain of $9,550,284 for the difference between the acquisition price of the new debt and the carrying amount of the old debt. Additionally, the refunding resulted in an economic gain of $20,756,237.

b. Advance Refunded Bonds

Advance refunded bonds with remaining balances at September 30, 2025:

Primary Government		Amount
Alabama Federal Aid Highway Finance Authority Series 2016-A	$	236,395,000
Alabama Federal Aid Highway Finance Authority Series 2017-A		288,120,000
Alabama Federal Aid Highway Finance Authority Series 2017-B		37,595,000
Alabama Federal Aid Highway Finance Authority Series 2021-B		55,440,000
Component Units		
University of South Alabama	$	64,500,000

5. Arbitrage

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt subsequent to August 1986, to calculate and rebate arbitrage earnings to the Federal Government. The U.S. Treasury has issued regulations on calculating the rebate amount and complying with the provisions of the Tax Reform Act of 1986. Governmental issuers must comply with the rebate regulation in order for their bonds to maintain tax-exempt status.

The regulations require the excess of the aggregate amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield to be rebated to the federal government. Income earned on excess earnings is also subject to rebate. Rebate payments, if required, are due at least once every five years over the life of the bonds. For fiscal year 2025, the State paid $50,000 in arbitrage fees for the Incentives Financing Authority Series 2019-A bonds..

This arbitrage information is based on incomplete data since some bond issues have not yet been included in arbitrage calculations. Any refunded bond issue is subject to the rebate requirement until the last bond is redeemed. Bond issues that have already been redeemed may be subject to additional payments if an arbitrage rebate or spending payment is owed and has not been paid.

For the Fiscal Year Ended September 30, 2025

6. Bonds Authorized But Not Issued

(Amounts in Thousands)

Primary Government	Authorized	Issued	Unissued
General Obligation Bonds §			
State of Alabama - Constitutional Amend 666	$ 750,000	$ 302,885	$ 447,115
Federal Aid Highway Finance Authority	Based on amount received in federal funds		
Farmers Market Authority	10,000	—	10,000
Highway Authority	20,000	7,000	13,000
Corrections Institution Finance Authority	1,443,000	603,015	839,985
Alabama Building Renovation Finance Authority	50,000	—	50,000
Public Health Finance Authority	45,000	—	45,000
Public Health Care Authority	Unlimited		
Parking Deck Authority	13,000	—	13,000
Garrett Coliseum Redevelopment Corporation	100,000	—	100,000
Alabama Highway Finance Corporation	175,000	118,460	56,540
Alabama State Parks Enhancement Authority	85,000	85,000	—
Alabama Toll Road, Bridge and Tunnel Authority	Based on Authority's construction of toll road, bridge or tunnel projects payable from tolls and other revenues		
State Industrial Development Authority †	1,000,000	—	1,000,000
Mental Health Finance Authority	100,000	99,981	19
Alabama Public School and College Authority-Pool Bonds	Unlimited		
Alabama Public School and College Authority-Capital Improvement Bonds	308,000	205,710	102,290
Total Reporting Entity	**$ 4,099,000**	**$ 1,422,051**	**$ 2,676,949**

§ Constitutional amendment 666, as amended, limits the aggregate outstanding general obligation bonds to $750,000,000. The aggregate limit does not include general obligation bonds authorized by other constitutional amendments. Constitutional amendment 887 authorized $50,000,000 in General Obligation Bonds for the National Guard Armory.

† The State Industrial Development Authority is authorized to issue a total of $100,000,000 in bonds in addition to any bonds authorized prior to 1991. No more than $40,000,000 in aggregate principal amount of such bonds may be outstanding at any one time. At September 30, 2024, there were no bonds outstanding.

7. Derivative Transactions - Interest Rate Swaps

University of South Alabama - The University is a party to two derivatives with Wells Fargo Banks, the counterparty. The income associated with the derivatives is a component of investment income and the corresponding expense is a component of interest expense. The terms of the derivatives require the University to post collateral when certain criteria are met.

The notional amount of the 2014 swap at all times matched the outstanding principal amount of the related bond. Under the swap, the University paid the counterparty a fixed semi-annual payment based on an annual rate of 4.9753%. Prior to the cessation of LIBOR, the University received, on a monthly basis, a variable payment of 68% of the one month LIBOR. In connection with the cessation of LIBOR, the University adhered to the ISDA Fallback protocols, which meant that, as of the cessation of LIBOR on June 30, 2023, the University received payment calculated at 68% of Secured Overnight Financing Rate(SOFR) compounded in arrears +0.11448%, plus 0.25%. Conversely, the 2014-A Bonds bore interest at 68% of One Month Term SOFR + 0.11448% plus 0.73%.

The notional amount of the 2016 swap at all times matched the outstanding principal amount of the related bonds. Under the swap, the University paid the counterparty a fixed semiannual payment based on an annual rate of 5%. Prior to the cessation of LIBOR, the University received, on a monthly basis, a variable payment of 68% of the one-month LIBOR. In connection with the cessation of LIBOR, the University adhered to the ISDA Fallback protocols, which meant that, as of the cessation of LIBOR on June 30, 2023, the University received on a monthly basis a variable payment of 68% of SOFR Compounded in arrears + 0.11448%, plus 0.25%. Conversely, the Amended and Restated 2016 Bonds bore interest at 79% of one month compounded SOFR plus 72 basis points (with respect to the Amended and Restated 2016-B Bonds), 77 basis points (with respect to the Amended and Restated 2016-C Bonds), and 83 basis points (with respect to the Amended and Restated 2016-D Bonds).

The 2014 swap terminated in March 2024, when the Series 2014-A Bond matured. The 2016 swap terminated in August 2024, when the Amended and Restated 2016-B, C, and D Bonds were refunded with the Series 2024-C Bonds. The fee paid by the University to Wells Fargo Bank to terminate the swap was $14,745,000. Pursuant to GASB Statement No. 53, and Statement No. 99, the balance in the deferred inflow of resources is reported in non-operating revenues, separate from net investment income, as an increase upon hedge termination in the statement of revenues, expenses, and changes in net position.

For the Fiscal Year Ended September 30, 2025

8. Direct Borrowings

Direct Borrowings
Primary Government
Debt Requirements to Maturity
(Amounts in Thousands)

	Totals		Govt-type Activities		Business-type Activities	
Maturity	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 6,455	$ 1,165	$ 6,238	$ 1,165	$ 217	$ 0
2027	6,403	975	6,403	975	—	—
2028	6,687	779	6,687	779	—	—
2029	7,043	573	7,043	573	—	—
2030	5,108	365	5,108	365	—	—
2031-2035	9,127	352	9,127	352	—	—
2036-2040	—	—	—	—	—	—
Grand-totals	**$ 40,823**	**$ 4,209**	**$ 40,606**	**$ 4,209**	**$ 217**	**$ 0**

Direct Borrowings
Component Units
Debt Principal Requirements to Maturity
(Amounts in Thousands)

Maturity	Principal	Interest
2026	$ 53,969	$ 6,554
2027	83,264	6,258
2028	18,633	5,870
2029	10,124	5,327
2030	4,298	3,660
2031-2035	49,865	21,625
2036-2040	44,975	13,790
2041-2045	29,731	7,039
2046-2050	19,667	1,278
Totals	**$ 314,526**	**$ 71,401**

9. Leases - Right-to-Use and Subscription- based IT Liabilities

The State leases office space, buildings and other space. Most building leases range from twenty-five to thirty-five years and most office space leases range from five to fifteen years

Leases - RTU Liabilities
Primary Government
Debt Requirements to Maturity
(Amounts in Thousands)

	Totals		Govt-type Activities		Business-type Activities	
Maturity	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 84,779	$ 19,135	$ 72,850	$ 16,964	$ 11,929	$ 2,171
2027	76,210	16,567	65,934	14,757	10,276	1,810
2028	61,662	14,319	52,813	12,810	8,849	1,509
2029	52,831	12,487	44,075	11,260	8,756	1,227
2030	43,346	10,975	34,817	10,026	8,529	949
2031-2035	149,307	37,409	124,214	35,891	25,093	1,518
2036-2040	70,585	20,579	70,585	20,579	—	—
2041-2045	47,588	10,443	47,588	10,443	—	—
2046-2050	37,406	3,888	37,406	3,888	—	—
2051-2055	6,632	371	6,632	371	—	—
2056-2060	—	—	—	—	—	—
Grand-totals	**$ 630,346**	**$ 146,173**	**$ 556,914**	**$ 136,989**	**$ 73,432**	**$ 9,184**

Leases - RTU Liabilities
Component Units
Debt Requirements to Maturity
(Amounts in Thousands)

Maturity	Principal	Interest
2026	$ 85,890	$ 20,513
2027	94,594	19,608
2028	55,867	18,728
2029	42,014	16,975
2030	28,849	15,573
2031-2035	76,137	72,189
2036-2040	50,743	60,022
2041-2045	61,785	47,396
2046-2050	61,471	31,712
2051-2055	98,547	18,488
Grand-totals	**$ 655,897**	**$ 321,204**

The State has Subscription-based IT liabilities that consist of licenses for software for varying periods. The debt requirements to maturity are as follows:

Subscription-based IT Liabilities
Primary Government
Debt Requirements to Maturity
(Amounts in Thousands)

	Totals		Govt-type Activities		Business-type Activities	
Maturity	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 2,021	$ 167	2,021	167	0	0
2027	1,799	84	1,799	84	—	—
2028	823	26	823	26	—	—
2029	—	—	—	—	—	—
2030	—	—	—	—	—	—
2031-2035	—	—	—	—	—	—
2036-2040	—	—	—	—	—	—
2041-2045	—	—	—	—	—	—
2046-2050	—	—	—	—	—	—
2051-2055	—	—	—	—	—	—
2056-2060	—	—	—	—	—	—
Grand-totals	**$ 4,643**	**$ 277**	**$ 4,643**	**$ 277**	**$ 0**	**$ 0**

Subscription-based IT Liabilities
Component Units
Debt Requirements to Maturity
(Amounts in Thousands)

Maturity	Principal	Interest
2026	$ 67,815	$ 6,473
2027	42,704	4,885
2028	20,076	2,154
2029	10,738	1,547
2030	5,240	1,029
2031-2035	5,403	3,629
2036-2040	2,509	2,776
2041-2045	3,123	2,159
2046-2050	3,891	1,391
2051-2055	3,286	435
Grand-totals	**$ 164,785**	**$ 26,478**

For the Fiscal Year Ended September 30, 2025

10. Changes in Non current Liabilities

(Amounts in Thousands)

	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	$ 460,059	$ 0	$ 52,733	$ 407,326	$ 49,770
Revenue Bonds - Public Offerings	4,354,692	590,590	699,712	4,245,570	485,185
Revenue Bonds - Direct Placements	162,388	—	—	162,388	1,248
Total Bond Principal	4,977,139	590,590	752,445	4,815,284	536,203
Plus: Premiums	332,478	—	—	355,115	—
Less: Discounts	(1,364)	—	(158)	(1,206)	—
Total Bonds Payable	5,308,253	613,227	752,287	5,169,193	536,203
Direct Borrowings	46,579	—	5,973	40,606	6,238
Claims & Judgments	110,504	19,651	18,222	111,933	8,209
Compensated Absences	364,861	206,255	205,239	365,877	31,126
Leases - Right-to-Use Liabilities	410,898	231,140	85,125	556,913	70,832
Subscription-based IT Liabilities	6,422	—	1,778	4,644	2,022
Net Pension Liabilities	4,840,042	479,381	1,087,086	4,232,337	—
Net OPEB Liabilities	870,516	1,036,142	57,995	1,848,663	—
Total Governmental Activities	**$ 11,958,075**	**$ 2,585,796**	**$ 2,213,705**	**$ 12,330,166**	**$ 654,630**
Business-type Activities:					
Revenue Bonds - Public Offerings	—	—	—	—	—
Revenue Bonds - Direct Placements	—	—	—	—	—
Direct Borrowings	371	155	309	217	—
Claims & Judgments	40,897	39,987	—	80,884	41,727
Compensated Absences	8,145	4,807	4,783	8,169	665
Leases - Right-to-Use Liabilities	55,871	31,673	14,113	73,431	11,929
Subscription-based IT Liabilities	—	—	—	—	—
Net Pension Liabilities	133,084	30,006	69,950	93,140	—
Net OPEB Liabilities	46,023	17,182	3,014	60,191	—
Other Long-Term Liabilities ‡	—	—	—	—	—
Total Business-Type Activities	**284,391**	**123,810**	**92,169**	**316,032**	**54,321**
Total Primary Government	**$ 12,242,466**	**$ 2,709,606**	**$ 2,305,874**	**$ 12,646,198**	**$ 708,951**
Component Units:					
Revenue Bonds - Public Offerings	5,531,118	586,201	192,233	5,925,086	243,381
Revenue Bonds - Direct Placements	72,864	14,862	8,283	79,443	7,517
Direct Borrowings	296,975	34,211	16,659	314,527	53,969
Claims & Judgments	222,181	1,667,270	1,665,811	223,640	85,656
Compensated Absences	227,462	50,878	8,012	270,325	189,685
Leases - Right-to-Use Liabilities	626,599	144,925	115,626	655,898	85,889
Subscription-based IT Liabilities	123,714	132,575	91,506	164,785	67,815
Net Pension Liabilities	5,905,126	1,714,150	2,728,639	4,890,637	—
Net OPEB Liabilities	729,355	3,408,033	648,838	3,488,550	—
Other Long-Term Liabilities §	160,838	12,628	44,391	129,075	—
Total Component Units	**$ 13,896,232**	**$ 7,765,733**	**$ 5,519,998**	**$ 16,141,966**	**$ 733,912**

§ Other Long-term liabilities are payable as follows: University of Alabama at Tuscaloosa $45,230, University of Alabama at Huntsville $988, Auburn University $23,122, University of South Alabama $56,372, University of North Alabama $68, the Alabama Community College System $52, and the State Port Authority $3,238.

For the Fiscal Year Ended September 30, 2025

Funds Used to Liquidate Liabilities Other than Debt (%)
Primary Government - Governmental-type Activities

Funds	Compensated Absences	Pension Liabilities	Other Postemployment Liabilities
Major Funds			
General Fund	22 %	24 %	24 %
Public Welfare Trust Fund	16	11	13
Education Trust Fund	3	4	4
Medicaid	1	1	1
Non-major Funds			
Public Road and Bridge Fund	14	12	14
Public Health	7	6	7
Miscellaneous Special Revenue Funds	8	8	9
Law Enforcement	5	12	4
Revenue Administrative	4	4	4
Mental Health	4	4	4
Conservation	3	2	3
Environmental Management	2	2	2
Labor	2	2	2
Education Department	2	2	2
Rehabilitation Services	2	2	2
Other	4	5	0

For the Fiscal Year Ended September 30, 2025

NOTE 6 - DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

All of the deferred inflows of resources which total $679,257,000 reported in the Balance Sheet of the Governmental Funds are unavailable revenues that are not recognized as revenue under the modified accrual basis of accounting in the Statement of Revenues, Expenditures, and Changes in Fund Balances. The other Deferred Outflows of Resources and Deferred Inflows of Resources are summarized in the following tables.

(Amounts in Thousands)	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Deferred Outflows of Resources			
Losses from Bond Refundings	$ 41,392	$ 0	$ 41,392
Pension Related	611,546	12,450	623,996
OPEB Related	967,383	32,172	999,555
Total Deferred Outflows of Resources	**$ 1,620,321**	**$ 44,622**	**$ 1,664,943**
Deferred Inflows of Resources			
Gains from Bond Refundings	$ 24,792	$ 0	$ 24,792
Pension Related	471,141	10,714	481,855
OPEB Related	276,456	9,659	286,115
Total Deferred Inflows of Resources	**$ 772,389**	**$ 20,373**	**$ 792,762**

(Amounts in Thousands)	Business-Type Activities Enterprise Funds		
	Alcoholic Beverage Control Board	**Nonmajor Enterprise Funds**	**Total Business-Type Activities**
Deferred Outflows of Resources			
Losses from Bond Refundings	$ 0	$ 0	$ 0
Pension Related	10,594	1,856	12,450
OPEB Related	28,471	3,701	32,172
Total Deferred Outflows of Resources	**$ 39,065**	**$ 5,557**	**$ 44,622**
Deferred Inflows of Resources			
Gains from Bond Refundings	$ 0	$ 0	$ 0
Pension Related	9,074	1,640	10,714
OPEB Related	8,020	1,639	9,659
Total Deferred Inflows of Resources	**$ 17,094**	**$ 3,279**	**$ 20,373**

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)	Component Units						
	University of Alabama	**Auburn University**	**University of South Alabama**	**Public Educ Emp Health Insurance**	**Alabama Community College System**	**Nonmajor Component Units**	**Total Component Units**
Deferred Outflows of Resources							
Hedging Interest Rate Swap	$ 0	$ 0	$ 322	$ 0	$ 0	$ 0	$ 322
Losses from Bond Refundings	38,724	15,438	4,334	—	609	16,513	75,618
Disposals of Government Operations	—	—	124	—	—	—	124
Pension Related	506,895	215,974	58,090	1,532	140,511	159,035	1,082,037
OPEB Related	1,673,788	549,673	405,045	1,155	271,298	571,466	3,472,425
Total Deferred Outflows of Resources	**$ 2,219,407**	**$ 781,085**	**$ 467,915**	**$ 2,687**	**$ 412,418**	**$ 747,014**	**$ 4,630,526**
Deferred Inflows of Resources							
Lease Deferred Inflows	$ 50,253	$ 20,689	$ 118,399	$ 0	$ 2,047	$ 231,344	$ 422,732
Gains from Bond Refundings	—	8,301	2,534	—	1,231	—	12,066
Advance Grant Revenue	—	234	—	—	8,500	—	8,734
Split Interest - Remainder Interest	3,346	—	—	—	—	—	3,346
Pension Related	462,854	158,961	72,549	2,376	115,849	154,431	967,020
OPEB Related	775,215	252,766	189,838	383	147,156	273,136	1,638,494
Total Deferred Inflows of Resources	**$ 1,291,668**	**$ 440,951**	**$ 383,320**	**$ 2,759**	**$ 274,783**	**$ 658,911**	**$ 3,052,392**

For the Fiscal Year Ended September 30, 2025

NOTE 7 - INTERFUND ACTIVITY AND INTRA-ENTITY BALANCES

`A. Due from/to Other Funds

Due from Other Funds are amounts to be received from one fund by another fund for goods sold, services rendered, or borrowings. Due to Other Funds are amounts owed by one fund to another fund for goods purchased, services received, or borrowings.

"Due from Other Funds" and "Due to Other Funds" are presented as assets and liabilities respectively on the Statement of Net Position. Governmental, Proprietary, and Fiduciary Funds are included in these transaction types.

The "Due from Other Funds" in the ARPA - Coronavirus State Fiscal Recovery Fund is related to unearned revenues.

Interfund balances for amounts due from/to other funds as of September 30, 2025 are as follows (amounts in thousands):

Due from Other Funds		Amount	Due to Other Funds		Amount
General Fund	$	17,523	Education Trust Fund	$	12
			ARPA-Coronavirus State Fiscal Recovery Fund		1
			Nonmajor Governmental Funds		1,934
			Alcoholic Beverage Control Board		15,568
			Internal Service Funds		8
Education Trust Fund	$	1,217	General Fund	$	3
			Nonmajor Governmental Funds		127
			Alcoholic Beverage Control Board		1,071
			Nonmajor Enterprise Funds		16
Medicaid Fund	$	35,498	General Fund	$	481
			Education Trust Fund		591
			Public Welfare Trust Fund		2,101
			Nonmajor Governmental Funds		31,446
			Internal Service Funds		879
Public Welfare Trust Fund	$	17,410	General Fund	$	17
			Education Trust Fund		75
			Medicaid Fund		7,735
			Nonmajor Governmental Funds		551
			Alcoholic Beverage Control Board		9,032
ARPA - Coronavirus State Fiscal Recovery Fund	$	64,413	Nonmajor Governmental Funds	$	64,413
Nonmajor Governmental Funds	$	272,008	General Fund	$	5,611
			Education Trust Fund		80,373
			Alabama Trust Fund		102
			Medicaid Fund		110,944
			Public Welfare Trust Fund		4,427
			ARPA-Coronavirus State Fiscal Recovery Fund		498
			Nonmajor Governmental Funds		62,776
			Unemployment Compensation Trust Fund		57
			Alcoholic Beverage Control Board		5,637
			Nonmajor Enterprise Funds		1,128
			Internal Service Funds		455
Subtotal	**$**	**408,069**		**$**	**408,069**

For the Fiscal Year Ended September 30, 2025

Subtotal from Previous Page	**$**	**408,069**		**$ 408,069**
Alcoholic Beverage Control Board	$	3	Nonmajor Governmental Funds	$ 3
Nonmajor Enterprise Funds	$	1,948	General Fund	$ 1,455
			Education Trust Fund	4
			Nonmajor Governmental Funds	478
			Internal Service Funds	11
Internal Service Funds	$	22,038	General Fund	$ 3,474
			Education Trust Fund	296
			Medicaid Fund	741
			Public Welfare Trust Fund	4,053
			Nonmajor Governmental Funds	11,362
			Alcoholic Beverage Control Board	457
			Nonmajor Enterprise Funds	46
			Internal Service Funds	1,602
			Fiduciary Funds	7
Totals	**$**	**432,058**		**$ 432,058**

B. Balances with Component Units

Balances with Component units consist of "Due From Component Units" and "Due To Component Units" on the Statement of Activities. Primarily these balances are the result of borrowings between component units and primary government. The receivable for Internal Service Funds are amounts due for routine billings of services rendered. Further, a portion of the payable from Nonmajor Component Units to Nonmajor Governmental Funds is for administrative and payroll costs owed by Water Pollution Control Authority to Department of Environmental Management.

Balances owed by state funds to component units at September 30, 2025, consisted of (amounts in thousands):

PAYABLE BY	Nonmajor Component Units	Total
General Fund	$ 130	$ 130
Education Trust Fund	98	98
Public Welfare Trust Fund	1	1
Nonmajor Governmental Funds	10	10
Internal Service Funds	633	633
Primary Government	3,538	3,538
Totals	**$ 4,410**	**$ 4,410**

Balances owed to state funds by component units at September 30, 2025 consisted of (amounts in thousands):

	PAYABLE FROM			
PAYABLE TO	University of Alabama	Public Education Employees' Health Insurance	Nonmajor Component Units	Total
Nonmajor Governmental Funds	$ 49,320	$ 1,095	$ 1,410	$ 51,825
Nonmajor Enterprise Funds	—	—	16	16
Internal Service Funds	—	3	87	90
Totals	**$ 49,320**	**$ 1,098**	**$ 1,513**	**$ 51,931**

C. Balances between Component Units

There were not any balances owed between component units at September 30, 2025.

D. Interfund Transfers

Transfers are often made between funds as required by the legislature in the appropriation acts as well as by a variety of existing statutes. The General Fund, Education Trust Fund and Alcoholic Beverage Control Board are required to transfer funds in compliance with appropriation acts. Small transfers are also made in compliance with various statutes. The Alabama Trust Fund, in compliance with amendments to the Constitution of Alabama of 1901, is required to transfer a substantial portion of its earnings to other funds. The Medicaid Fund is required to transfer funds to other agencies to fund services provided to Medicaid recipients. Within Nonmajor Governmental Funds, the Department of Mental Health received $761,739,000, the Department of Senior Services received $202,452,000, and the Department of Public Health received $58,878,000. The Department of Youth Services and the Department Rehabilitation Services were the other Nonmajor Governmental Fund recipients.

For the Fiscal Year Ended September 30, 2025

Transfers among the various funds of the primary government during fiscal year 2025 were as follows (amounts in thousands):

Transfer Out	Amount	Transfer In	Amount
General Fund	$ 838,434	Medicaid Fund	$ 28,744
		Public Welfare Trust Fund	146,058
		Nonmajor Governmental Funds	657,456
		Internal Service Funds	6,176
Education Trust Fund	$ 2,106,749	Medicaid Fund	$ 10,411
		Public Welfare Trust Fund	102,014
		Nonmajor Governmental Funds	1,983,246
		Nonmajor Enterprise Funds	11,078
Alabama Trust Fund	$ 180,488	General Fund	$ 120,125
		Nonmajor Governmental Funds	60,363
Medicaid Fund	$ 1,139,517	Public Welfare Trust Fund	$ 60,935
		Nonmajor Governmental Funds	1,078,582
Public Welfare Trust Fund	$ 120,154	Medicaid Fund	$ 25,317
		Nonmajor Governmental Funds	94,837
ARPA - Coronavirus State Fiscal Recovery Fund	$ 147,536	Nonmajor Governmental Funds	$ 147,536
Nonmajor Governmental Funds	$ 1,700,421	General Fund	$ 87,759
		Alabama Trust Fund	122
		Medicaid Fund	280,349
		Public Welfare Trust Fund	3,970
		Nonmajor Governmental Funds	1,324,053
		Unemployment Compensation	33
		Alcoholic Beverage Control Board	60
		Internal Service Funds	4,075
Unemployment Compensation Fund	$ 9,154	Nonmajor Governmental Funds	$ 9,154
Alcoholic Beverage Control Board	$ 52,987	General Fund	$ 35,678
		Nonmajor Governmental Funds	17,309
Nonmajor Enterprise Funds	$ 13,091	Nonmajor Governmental Funds	$ 13,087
		Internal Service Funds	4
Internal Service Funds	$ 6,139	Nonmajor Governmental Funds	$ 219
		Internal Service Funds	5,920
Fiduciary Funds	$ 716	Nonmajor Governmental Funds	$ 716
Totals	**$ 6,315,386**		**$ 6,315,386**

NOTE 8 - RISK MANAGEMENT

A. Finance Department Division of Risk Management

The State manages risk through risk control and risk financing to minimize the adverse effects of certain types of losses. Risk financing includes self-insurance through several different funds. The State Insurance Fund provides coverage for state buildings and contents against fire and casualty losses. The General Liability Trust Fund insures state employees against the risk of loss from employment-related liability claims. The State Employee Injury Compensation Trust Fund was created by the 1994 legislature to provide benefits to eligible state employees for job-incurred injury. The State Insurance Fund, the General Liability Trust Fund, and the State Employee Injury Compensation Trust Fund are administered by the Division of Risk Management of the Department of Finance.

There was no significant reduction in insurance coverage by the three Division of Risk Management funds from the prior year. These funds do not have acquisition costs; therefore, no cost is amortized for the period. The funds use the accrual basis of accounting for reporting purposes. As required by GASB Statement No. 72, "Fair Value Measurement and Application," most investments are recorded at fair value. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Estimated claims liabilities are calculated by a professional actuary based on prior claims data. Non-incremental claims adjustment expenses have not been included as part of the liability for any of the funds.

The separately issued financial report of the Division of Risk Management contains additional note disclosures and supplementary information regarding claims development and liabilities.

1. State Insurance Fund

The State Insurance Fund (SIF) was established in 1923 and is under the *Code of Alabama 1975*, Section 41-15-1 for the purpose of insuring direct physical loss on buildings and contents in which title in whole or in part is vested in the State of Alabama or any of its agencies or institutions or in which funds provided by the State have been used for the purchases of land, construction of buildings, purchase or maintenance of any equipment, machinery, furniture, fixtures or supplies in such buildings and public school buildings together with the contents of all such buildings. All covered property shall be insured for no more than its replacement cost and shall be insured for no less than 80 percent of its actual cash value. Salvage value coverage, used on property that is normally not insurable, is determined by applying eight percent of the property's reconstruction value. City boards of education may insure school buildings and property either in the State Insurance Fund or with an insurance company, whichever in the opinion of such board provides the best coverage for such school buildings and property. The principles of private industry insurance companies are utilized to establish rates, premium discounts, and experience credits to result in equitable premiums charged to policyholders. Excess insurance and reinsurance is acquired to assure the solvency of the fund.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported. This liability and expense is determined by a professional actuary. The SIF has a $25,000,000 cumulative loss or aggregate annual deductible or loss retention for all perils eroding the annual deductible. Excess insurance covers claims exceeding the retention levels with a $750,000,000 limit for named or numbered wind storms and a $2,000,000,000 limit for all other perils. Payments received in fiscal years 2025, 2024, and 2023 for settlements in excess of deductibles totaled $0, $5,851,480, and $11,000 respectively.

The following table presents the changes in claims liabilities for the past two years:

(Amounts in Thousands)	September 30, 2025	September 30, 2024
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 40,897	$ 63,160
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	44,500	16,100
Increase (Decrease) in provision for insured events of prior years	30,534	14,093
Total incurred claims and adjustment expenses	75,034	30,193
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(24,173)	(2,272)
Claims and adjustment expenses attributable to insured events of prior years	(10,874)	(50,184)
Total payments	(35,047)	(52,456)
Reported claims payable and estimated claims incurred but not reported at end of year	**$ 80,884**	**$ 40,897**

A schedule of ten-year loss development information for the State Insurance Fund is in the Required Supplementary Information section of the ACFR.

2. General Liability Trust Fund

The General Liability Trust Fund (GLTF) was established in 1984 to protect state employees from personal financial liability resulting from lawsuits that are based on alleged negligence while acting within the line and scope of state employment. Claims are investigated and defended through the Office of the Attorney General. Auto liability is fully insured and the insurer, American Southern Insurance Company, handles all claims. The GLTF is managed much like a commercial insurance company, with exposure evaluated and commensurate premiums assigned to state agencies. Investment activities are an essential part of the General Liability Trust Fund's ability to maintain lower-cost employee liability coverage. Funds in excess of those needed for immediate operations are invested to maximize return and keep premiums down.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported. This liability and expense is determined by a professional actuary.

The following table presents the changes in claims liabilities for the past two years:

(Amounts in Thousands)	September 30, 2025	September 30, 2024
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 44,328	$ 44,091
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	7,800	7,500
Increase (Decrease) in provision for insured events of prior years	(4,084)	(2,518)
Total incurred claims and adjustment expenses	3,716	4,982
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(18)	(13)
Claims and adjustment expenses attributable to insured events of prior years	(5,488)	(4,732)
Total payments	(5,506)	(4,745)
Reported claims payable and estimated claims incurred but not reported at end of year	**$ 42,538**	**$ 44,328**

3. State Employee Injury Compensation Trust Fund

The State Employee Injury Compensation Trust Fund (SEICTF) was created by the legislature on October 1, 1994. Its purpose is to provide benefits to eligible state employees for job-incurred injury. Benefits under SEICTF are administered by the Department of Finance, Division of Risk Management in accordance with the Alabama Administrative Code and include all reasonable medical expenses arising from a job-incurred injury, lost wages (including benefits for time lost from the job), and benefits to dependents of employees who are fatally injured on the job. Specifically excluded from coverage are employees of the State Port Authority, educational institutions, and local boards of education. A key element in assuring effective and efficient operation of SEICTF was the creation of a statewide medical provider network with a focus on professionals who are experts in treating occupational injury.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not been reported. This liability and expense is determined by a professional actuary.

For the Fiscal Year Ended September 30, 2025

The following table presents the changes in claims liabilities for the past two years:

(Amounts in Thousands)	September 30, 2025	September 30, 2024
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 18,075	$ 17,572
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	5,200	4,500
Increase (Decrease) in provision for insured events of prior years	(690)	(617)
Total incurred claims and adjustment expenses	4,510	3,883
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(1,537)	(1,366)
Claims and adjustment expenses attributable to insured events of prior years	(2,296)	(2,014)
Total payments	(3,833)	(3,380)
Reported claims payable and estimated claims incurred but not reported at end of year	**$ 18,752**	**$ 18,075**

The Department of Transportation finances its own risk for state employee injury compensation. This table includes the changes in claims liabilities for the Department of Transportation as well as Risk Management. Claims liabilities at the beginning of the year for Transportation totaled $9,431,000, and total claims payments were $3,833,000 in 2025. The Department of Transportation had $10,077,000 in claims liabilities at the end of the year.

B. Health Insurance Plans

1. State Employees' Insurance Plan

The State Employees' Insurance Plan (SEIP) was established in 1965 by Alabama Act No. 833 to provide health insurance benefits for state employees. The SEIP is administered by the State Employees' Insurance Board (SEIB). The monthly premiums for employee and dependent coverage are determined annually and are set at a rate necessary to provide sufficient funds to pay all claims and reasonable expenses of administering the plans. The State pays a monthly premium for each employee and the employee pays the established dependent premium. The SEIB establishes claims liabilities based on estimates of the ultimate cost of claims (including estimated future retroactive claims adjustments) that have been reported but not settled, and of estimated claims that have been incurred but not reported. Actual claims costs ultimately incurred may vary from estimated claims liabilities should the nature and frequency of actual claims vary from historical claims experience on which the estimates are based. Adjustments of the estimated claims liabilities based on actual results are charged or credited to expense in the periods in which such adjustments are determined.

The following table represents changes in claims liabilities for SEIB during the past two years:

(Amounts in Thousands)	September 30, 2025	September 30, 2024
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 53,482	$ 46,138
Incurred claims and adjustment expenses:		
Provision for insured claims of the current year	392,195	374,914
Adjustment to estimated claims incurred but not reported at end of year	2,702	(657)
Total incurred claims and adjustment expenses	394,897	396,357
Payments:		
Claims and adjustment expenses attributable to insured claims of the current year	(361,349)	(366,462)
Claims and adjustment expenses attributable to insured claims of prior years	(24,479)	(22,550)
Total payments	(385,828)	(389,012)
Reported claims payable and estimated claims incurred but not reported at end of year	**$ 62,551**	**$ 53,482**

At year-end, unpaid claims liabilities are computed using the gross method without discounting the accrued claims payable. The separately issued financial report contains note disclosures and supplementary information regarding claims development.

2. Public Education Employees' Health Insurance

The Public Education Employees' Health Insurance Fund (PEEHIF) was established in 1983 by the provisions of *Act 83-455* to provide a uniform plan of health insurance for current and retired employees of public educational institutions and to provide a method of funding the benefits related to the plan. The plan is administered by the Public Education Employees' Health Insurance Board (PEEHIB).

The State contributes a specified amount monthly to each respective participating school system. Each participating school system must then pay the employer rate to the PEEHIF each month. The employer rate per participant was $800 in 2025 and $800 in 2024. In addition to the employer payments each month, the employee pays certain premium amounts. PEEHIB established claims liabilities based on the actual cost of claims reported but not settled, and estimates of claims that have been incurred but not reported. Actual claims costs ultimately incurred may vary from estimated claims liabilities should the nature and frequency of actual claims vary from historical claims experience on which the estimates are based. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The following table presents the changes in claims liabilities during 2025 and 2024:

(Amounts in Thousands)	September 30, 2025	September 30, 2024
Unpaid claims and claim adjustment expense at beginning of year	$ 156,504	$ 154,586
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	1,277,360	1,227,034
Increase (Decrease) in provision for insured events of prior years	(6,448)	(25,618)
Total incurred claims and adjustment expenses	1,270,912	1,201,416
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(1,119,137)	(1,070,530)
Claims and adjustment expenses attributable to insured events of prior years	(150,056)	(128,968)
Total payments	(1,269,193)	(1,199,498)
Total unpaid claims and adjustment expenses at end of year	**$ 158,223**	**$ 156,504**

The separately issued financial report contains additional note disclosures and supplementary information regarding claims development.

3. Alabama State Port Authority

The Alabama State Port Authority is partially self-insured with respect to workers' compensation claims. Each claim for a loss in excess of the established self-insured retention of $750,000 or $1,000,000, depending on the classification code of the affected employee, is covered up to a $25 million policy limit. The liability for uninsured claims includes an estimated amount for claims that have been incurred but have not been reported. The following represents changes in those aggregate liabilities for the Authority during the past two years:

(Amounts in Thousands)	September 30, 2025	September 30, 2024
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 1,029	$ 1,191
Provision for claims	1	299
Total payments	(225)	(461)
Reported claims payable and estimated claims payable incurred but not reported at end of year	**$ 805**	**$ 1,029**

The separately issued financial report contains additional note disclosures and supplementary information regarding claims development.

NOTE 9 - DEFERRED COMPENSATION

The State offers employees the opportunity to participate in optional deferred compensation plans created in accordance with Internal Revenue Service Code (IRC) Section 457. The plans are available to all state employees and permit them to defer a portion of their salary until future years. The current value of the employee contributions may be withdrawn upon termination, retirement, death, or an unforeseeable emergency.

It is the opinion of the State's legal counsel that the State has no liability for losses under these plans but does have the duty of due care that would be required of an ordinary prudent investor.

The Public Employees' Individual Retirement Account Fund/Deferred Compensation Plan (RSA-1) is administered and operated by its Board of Control. All members of the Teachers' Retirement System of Alabama, Employees' Retirement System of Alabama, Judicial Retirement Fund, employees of employers eligible to participate in the Employees' Retirement System pursuant to provisions of Code of Alabama 1975 Section 36-27-6, and public officials and employees of the State of Alabama or any political subdivision thereof (collectively, participating employers), are eligible to participate in this plan. At September 30, 2025, net position of the plan totaled $3,085,333,000.

State employees may also participate in the Alabama Deferred Compensation Plan sponsored by the Personnel Board and administered by Empower Retirement. The plan contract requires the assets to be held in trust for the benefit of plan participants. At September 30, 2025, net position of the plan totaled $795,530,000.

For the Fiscal Year Ended September 30, 2025

NOTE 10 - RETIREMENT PLANS

A. Aggregate Disclosures

1. Aggregate Pension Liabilities, Pension Assets, Deferred Outflows, Deferred Inflows and Pension Expense All Pension Funds

Aggregate Amounts
(Amounts in Thousands)

	Total Pension Liabilities	Total Assets	NPL	NPA	Deferred Outflows	Deferred Inflows	Pension Expense
Govt-type Activities (GTA)							
ERS	$ 9,689,943	$ 6,055,446	$ 3,634,497	$ 0	$ 476,059	$ 394,678	$438,425
TRS	871,354	622,213	249,141	—	60,437	48,107	34,000
JRF	565,117	377,167	187,950	—	54,364	27,955	32,596
Other	200,259	39,508	160,751	—	20,686	31,257	7,887
Total GTA	11,326,673	7,094,334	4,232,339	0	611,546	501,997	512,908
Business-type Activities (BTA)							
ERS	$ 247,315	$ 159,190	$ 88,125	$ 0	$ 11,353	$ 9,724	$ 12,625
TRS	17,543	12,527	5,016	—	1,097	975	657
Other	193	238	—	45	—	15	(2)
Total BTA	265,051	171,955	93,141	45	12,450	10,714	13,280
Totals Primary Government	**$11,591,724**	**$ 7,266,289**	**$ 4,325,480**	**$ 45**	**$ 623,996**	**$ 512,711**	**$526,188**
Component Units							
ERS	$ 81,824	$ 37,667	$ 44,157	$ 0	$ 6,347	$ 5,969	$ 2,375
TRS	16,839,447	12,024,648	4,814,799	—	1,029,652	956,270	568,495
Other	108,947	91,745	31,963	14,761	5,490	5,369	3,173
Total Component Units	**$17,030,218**	**$ 12,154,060**	**$ 4,890,919**	**$14,761**	**$1,041,489**	**$ 967,608**	**$574,043**

B. Retirement Systems of Alabama

The Retirement Systems of Alabama (RSA) administers the following three retirement programs for the benefit of state employees, public education employees, and judges: Teachers' Retirement System, Employees' Retirement System, and Judicial Retirement Fund.

1. Plan Descriptions

The Teachers' Retirement System of Alabama (TRS) is a cost-sharing multiple-employer defined benefit pension plan, established as of September 15, 1939, under the provisions of the 1939 Alabama Acts 419. The TRS provides retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The Board of Control has responsibility for the general administration and operation of the TRS.

The Employees' Retirement System of Alabama (ERS) is an agent multiple-employer defined benefit pension plan established as of October 1, 1945, under the provisions of the 1945 *Alabama Acts* 515. The ERS provides retirement allowances and other specified benefits for state employees, state police, and on an elective basis, to all cities, counties, towns, and quasi-public organizations. The Board of Control is responsible for the general administration and operation of the ERS.

The ERS Board of Control consists of 15 trustees. Four trustees are ex officio members: the Governor, the State Treasurer, the State Personnel Director, and the State Finance Director. Three trustees are vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of State government nor from any department of which an ex officio trustee is the head. The remaining eight trustees of ERS are elected by members from the same category of ERS for a term of four years. These eight trustees include three from the ranks of retired state employees, one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS, two vested active state employees and two vested active employees of an employer participating in ERS pursuant to *The Code of Alabama* § 36-27-6.

As of September 30, 2024, membership consisted of:

ERS Membership

Group	State Employees	State Police	Total
Retirees and beneficiaries currently receiving benefits	25,231	1,006	26,237
Post-DROP Retired Members Still in Active Service	76	—	76
Vested Inactive Members	1,248	23	1,271
Non-vested inactive members	33,721	39	33,760
Active members	27,762	765	28,527
Total	**88,038**	**1,833**	**89,871**

The Judicial Retirement Fund (JRF) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, established under the 1973 *Alabama Acts* 1163. The JRF provides retirement allowances and other specified benefits for any Justice of the Supreme Court of Alabama, Judge of the Court of Civil Appeals, Judge of the Court of Criminal Appeals, Judge of the Circuit Court, or office holder of any newly created judicial office receiving compensation from the State Treasury. Act Number 1205 of the legislature of 1975 supplemented the provisions of Act Number 1163 and enlarged the scope and coverage of the JRF to include District and Probate Judges. Act Number 498 of the Legislature of 2015 established the Judges' and Clerks' Plan within the JRF for any Judge or Clerk who was first elected or appointed on November 8, 2016, and was not a member of the JRF or the Clerks' and Registers' Supernumerary Fund prior to that date. The Act also established the District Attorneys' Plan within the JRF for any District Attorney serving in the capacity of District Attorney on or after November 8, 2016. The Board of Control of the ERS administers and operates the JRF.

As of September 30, 2024, membership consisted of:

JRF Membership

Group	State Employees
Retirees and beneficiaries currently receiving benefits	460
Terminated employees entitled to but not yet receiving benefits	13
Non-vested inactive members	23
Active members	387
Total	**883**

a. Benefits Provided

The TRS, ERS, and JRF provide retirement benefits as well as death and disability benefits as established by State law. Changes to benefits, including ad hoc cost of living adjustments, must be established by statute. Benefits for TRS and ERS members vest after 10 years of credited service.

Tier 1 employees are those employees who were hired before January 1, 2013. This paragraph describes benefits available to Tier 1 employees. Teachers and state employees who retire after age 60 (52 for state police) with 10 years of credited service or with 25 years of creditable service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service retirement benefits are calculated by two methods with the member receiving payment under the method which yields the highest monthly benefit: 1) minimum guaranteed, or 2) formula. Under the formula method, members of TRS and ERS (except state police) are allowed 2.0125 percent of their final average salary (highest 3 of the last 10 years) for each year of service. State police are allowed 2.875 percent for each year of state police service in computing the formula method. Disability retirement benefits are calculated in the same manner.

Act 316 of the Legislature of 2019 established the Partial Lump Sum Option Plan (PLOP) in addition to the annual retirement benefit payable for life for Tier 1 and Tier 2 members of the TRS and ERS. A member can elect to receive a one-time lump sum distribution at the time they receive their first monthly benefit payment.The member's annual retirement benefit is then actuarially reduced based on the amount of the PLOP distribution which is not to exceed the sum of 24 months of the maximum monthly retirement benefit that the member could receive. Members are eligible to receive a PLOP distribution if they are eligible to receive a service retirement benefit the TRS or ERS on or after October 1, 2019. A TRS or ERS member who receives an annual disability retirement benefit or who has participated in the Deferred Retirement Option Plan is not eligible to receive a PLOP distribution.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for TRS and ERS members hired on or after January 1, 2013. Tier 2 TRS and ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of credited service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a formula method. Under the formula method, Tier 2 members of the TRS and ERS (except State Police) are allowed 1.65 percent of their average final compensation (highest 5 of the last 10 years) for each year of creditable service up to 80% of their average final compensation. State Police are allowed 2.375 percent for each year of creditable state police service up to 80% of their average final compensation in computing the formula method.

JRF benefits vest from five to eighteen years. Except for justices or judges who were either disabled, elected prior to July 30, 1979, or have at least 25 years of credited service, no justice or judge shall be eligible to receive judicial service retirement pay prior to attaining sixty years of age. Service retirement benefits for justices and judges are dependent upon the particular office held in the judicial branch of government. A retirement benefit is payable upon the request of any member who has: 1) 25 years of credited service (regardless of age), 2) completed 12 years of credited service and has attained age 65, 3) completed 15 years of credited service and whose age plus service equals or exceeds 77, 4) completed 10 years of credited service and has attained age 70, or 5) been elected prior to July 30, 1979 and has 18 years of creditable service (regardless of age). A member eligible to retire who has not requested his retirement benefit to commence at the end of the term in which his seventieth birthday occurs is entitled only to the refund of his contributions (except for members with at least 25 years of credited service). The service retirement

benefit for circuit, appellate, and probate judges is 75 percent of the member's salary at the time of separation from service. The service retirement benefit for a district judge is 75 percent of the position's salary immediately prior to retirement.

Act 498 of the Legislature of 2015 established a new group (Group 3) of members within JRF which consists of all justices, judges, circuit clerks, and district attorneys elected or appointed on or after November 8, 2016. Group 3 members are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. A district attorney who has Tier 1 ERS transferred service as an assistant or deputy district attorney is eligible for service retirement with 25 years of service credit, regardless of age. Service and disability retirement benefits are calculated using a retirement formula. Group 3 members who are judges or justices are allowed 4% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 75% of their average final compensation. Group 3 members who are clerks or district attorneys are allowed 3% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation.

A pre-retirement death benefit is offered in which the account is credited with TRS, ERS, and JRF employer contributions and investment income on such funds. The pre-retirement death benefit (group term life insurance) is paid in addition to the return of member contributions upon the death of an active TRS, ERS, or JRF member who has completed at least one year of active membership in the system and whose date of death was within 180 days of the member's last date of actual service. However, a surviving spouse beneficiary of a deceased member who was eligible for service retirement may elect a survivor allowance in lieu of this benefit. The pre-retirement death benefit is equal to the annual earnable compensation of the member as reported to the system for the preceding year ending June 30 for TRS and September 30 for ERS and JRF.

When a member withdraws from service prior to becoming vested, the member's accumulated contributions and a portion of accumulated interest credited to the Annuity Savings account are returned to the member. The portion of accumulated interest, which by law is not payable to the member, is transferred to the Expense Fund.

b. Pension Plan Financial Report

RSA issued a stand-alone financial report that includes financial statements and required supplementary information (including GASB Statement No. 67 disclosures) for the year ended September 30, 2025. Copies may be obtained from the RSA website at www.rsa-al.gov or by writing to:

The Retirement Systems of Alabama
P.O. Box 302150
201 South Union Street
Montgomery, AL 36130-2150

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The TRS, ERS, and JRF pension plan fiduciary net positions have been determined on the same basis used by the pension plans. The TRS, ERS, and JRF financial statements are prepared using the economic resources measurement focus and accrual basis of accounting consistent with the plans. Contributions are recognized as revenues when earned, pursuant to plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. The financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board. Under these requirements, the TRS, ERS, and JRF are considered component units of the State of Alabama.

b. Investments

The Boards of Control of the Systems have the responsibility and authority to invest and reinvest available funds, through the Secretary-Treasurer and Investment Committee, in bonds, mortgage-backed securities, common and preferred stock, or other investment vehicles with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use. All plan assets are carried at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Mortgage-backed securities are reported based on future principal and interest payments discounted at the prevailing interest rate for similar investments. The fair value of real estate investments is

based on independent appraisals or cost, when cost approximates fair value. Generally, private placements are valued based on the selling price of similar investments sold in the open market. In those instances where similar investments are not sold in the open market, an independent appraisal is performed to determine the fair value. RSA invests in limited partnerships which are long-term and generally illiquid. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to dissolution. These partnership investments are valued using their respective net asset values (NAV). The most significant element of the NAV is the fair value of the investment holdings. These holdings are valued by the general partners in conjunction with management, investment advisers, and valuation specialists. The valuation techniques vary based on investment type and involve a certain degree of expert judgment. The fair value of these investments could differ significantly if a ready market for these assets existed.

3. Employee Contribution Requirements

State Law established the contribution requirements and must be amended by state statute. The required contribution rate of active plan members for TRS and ERS (excluding state policemen, and certified firefighters, police officers and correctional officers) is 7.5 percent and 6.2 percent of earnable compensation for Tier 1 and Tier 2 members, respectively. State policemen are required to contribute 10 percent of earnable compensation. JRF members and Tier 1 certified firefighter, police officer, and correctional officer members of the TRS and ERS are required to contribute 8.5 percent of earnable compensation**.** Tier 2 certified law enforcement, correctional officers, and firefighters of the TRS and ERS are required by statute to contribute 7.2 percent of earnable compensation.

4. Disclosures of Individual Plans of the Retirement Systems of Alabama

a. TRS

Employer Contributions Required and Made
As required by statute, the employer contribution rate is actuarially determined based on the amount needed in addition to employee contributions to fund the costs of member benefits earned during the year and to fund unfunded accrued liabilities. For fiscal year 2025, the required employer contribution rate was 12.59 percent for Tier 1 and 11.57 percent for Tier 2. Total employer contributions for fiscal year 2025 were $20,460,000 for the primary government ($19,984,000 for governmental activities and $476,000 for business-type activities), and $396,529,000 for discretely presented component units.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
The collective net pension liability was measured as of September 30, 2024 and the total pension liability used to calculate the net pension liability (NPL) was determined by an actuarial valuation as of September 30, 2023. Update procedures were used to roll forward the NPL to the reporting date. Each participating TRS unit included in the State's financial report has its own proportion of the collective net pension liability based on the individual participating units' share of contributions to the pension plan relative to the total employer contributions of all participating TRS units. At September 30, 2025, the proportionate share of the primary government and component units' net pension liability was as follows:

TRS
Proportionate Share of Net Pension Liability

	Current Year Proportionate Share	Prior Year Proportionate Share	Change in Proportionate Share
Governmental-type Activities	1.92 %	1.85 %	0.07 %
Business-type Activities	0.04	0.04	—
Totals Primary Government	**1.96 %**	**1.89 %**	**0.07 %**
Component Units	**37.01 %**	**36.62 %**	**0.39 %**

For the year ended September 30, 2025, the primary government recognized pension expense of $34,657,000 (governmental-type activities - $34,000,000 and business-type activities - $657,000) and component units recognized a pension expense of $568,495,000.

As of September 30, 2025 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TRS
Deferred Outflows and Inflows of Resources
(Amounts in Thousands)

	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 0	$ 0	$ 0	$ 0
Differences between expected and actual experience	24,776	499	25,275	478,790
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,855	45	11,900	80,488
Change in Assumptions	3,822	77	3,899	73,845
Employer contributions subsequent to the measurement date	19,984	476	20,460	396,529
Total Deferred Outflows of Resources	**$ 60,437**	**$ 1,097**	**$ 61,534**	**$ 1,029,652**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 40,856	$ 823	$ 41,679	$ 789,584
Differences between expected and actual experience	1,796	36	1,832	34,706
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,455	116	5,571	131,980
Total Deferred Inflows of Resources	**$ 48,107**	**$ 975**	**$ 49,082**	**$ 956,270**

Employer contributions subsequent to the measurement date reported in the above tables as deferred outflows of resources will reduce the net pension liability recognized in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows and deferred inflows of resources will increase/ (decrease) pension expense reported in subsequent years as follows:

TRS

Increase/(Decrease) to Pension Expenses

(Amounts in Thousands)

Fiscal Year Ended	Governmental Activities	Business-type Activities	Total Primary Govt	Component Units
2025	$ (197)	$ (9)	$ (206)	$ (8,326)
2026	6,548	303	6,851	276,460
2027	(7,079)	(327)	(7,406)	(298,871)
2028	(6,926)	(320)	(7,246)	(292,410)

Actuarial Assumptions

The actuarial assumptions used in the actuarial valuation as of September 30, 2021, were based on the results of an actuarial experience study for the five-year period ending September 30, 2020, dated July 12, 2021, and adopted by the Board on September 13 2021. The valuation was prepared based on an assumed investment return of 7.70%.

The actuarial assumptions used to roll forward the Total Pension Liability (TPL) to the measurement date are as follows:

Wage Inflation	2.50%
Projected salary increases	3.25% - 5.00%
Investment rate of returns	7.45% per annum, compounded annually, including price inflation at 2.50%

Post-Retirement Mortality rates for TRS service retirements and dependent beneficiaries were based on the Pub-2010 Teacher tables with the following adjustments, projected generationally using the MP-2020 scale adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Set Back (-)	Adjustment to Rates
Service Retirees	Teacher Retiree - Below Median	Male + 2, Female +2	Male 108% ages <63, 96% ages > 67, Phasing down ages 63-67, Female 112% ages < 69, 98% > age 74, Phasing down ages 69-74
Beneficiaries	Contingent Survivor below Median	Male +2, Female none	None
Disabled Retiree	Teacher Disability	Male +8, Female +3	None

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of geometric rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	15.00 %	2.80 %
U.S. Large Stocks	32.00	8.00
U.S. Mid Stocks	9.00	10.00
U.S. Small Stocks	4.00	11.00
International Developed Market Stocks	12.00	9.50
International Emerging Market Stocks	3.00	11.00
Alternatives	10.00	9.00
Real Estate	10.00	6.50
Cash Equivalents	5.00	2.50 %
Total	**100 %**	

*Includes assumed rate of inflation of 2.00%.

Discount rate

The discount rate used to measure the total pension liability was 7.45% percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the State's proportionate share of the net pension liability calculated using the discount rate of 7.45% percent, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.45 percent) or 1 percentage point higher (8.45 percent) than the current rate:

TRS
Sensitivity to Changes in Discount Rate
Net Pension Liability
(Amount in Thousands)

	1% Decrease (6.45)%	Current Rate (7.45)%	1% Increase (8.45)%
Governmental-type Activities	$ 346,410	$ 249,141	$ 167,268
Business-type Activities	6,974	5,016	3,368
Total Primary Government	**$ 353,384**	**$ 254,157**	**$ 170,636**
Component Units	**$ 6,694,590**	**$ 4,814,799**	**$ 3,232,547**

b. JRF

As mentioned above, the JRF is a multiple-employer cost sharing plan. The majority of the operations are related to the State. The remaining employers are county governments. All State related operations are governmental-type activities reported within the primary government. The State is responsible for all employer contributions.

Employer Contributions Required and Made

As required by statute, the employer contribution rate is actuarially determined based on the amount needed in addition to employee contributions to fund the costs of member benefits earned during the year and to fund unfunded accrued liabilities. For fiscal year 2025, the required employer contribution rate was 45.48 percent for tier 1 and 41.05 percent for tier 2. Total employer contributions for fiscal year 2025 were $25,046,000.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The collective net pension liability was measured as of September 30, 2024 and the total pension liability used to calculate the net pension liability (NPL) was determined by an actuarial valuation as of September 30, 2023. Update procedures were used to roll forward the NPL to the reporting date. All JRF activities are reported in the primary government - governmental-type activities. The State recognized pension expense of $29,358,000 and grant expense for non-employer support provided to counties of $3,238,000.

Information concerning the NPL, deferred outflows of resources and deferred inflows of resources are presented in the following tables:

JRF
Net Pension Liability
(Amounts in Thousands)

	Employer Share	Non-employer* Share	Total NPL
	$ 164,979	$ 22,971	$ 187,950
Proportionate Share - Current Year	87.78 %	12.22 %	
Proportionate Share - Prior Year	87.27	12.73	
Change in Proportionate Share	**0.51 %**	**(0.51) %**	

* Represents the portion of the liability paid on behalf of local governments.

For the Fiscal Year Ended September 30, 2025

JRF
Deferred Outflows and Inflows of resources
(Amount in Thousands)

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 27,243	$ 1,420
Net difference between projected and actual earnings on pension plan investments	—	26,535
Change In Assumptions	2,075	—
Employer contributions subsequent to the measurement date	25,046	—
Total Primary Government	**$ 54,364**	**$ 27,955**

Employer contributions subsequent to the measurement date reported in the above tables as deferred outflows of resources will reduce the net pension liability recognized in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows and deferred inflows of resources will increase/(decrease) pension expense and grant expense reported in subsequent years as follows (all expenses are governmental-type activity expenses):

JRF
Increase/(Decrease) to Pension Expenses
(Amounts in Thousands)

Fiscal Year Ended	Employer Pension Expense	Non-employer Grant Expense
2025	$ 5,358	$ 746
2026	10,891	1,516
2027	(7,518)	(1,047)
2028	(7,535)	(1,049)

Actuarial Assumptions
The actuarial assumptions used in the actuarial valuation as of September 30, 2022, were based on the results of an actuarial experience study for the five -year period ending September 30, 2020 dated July 12, 2021, adopted by the Board on September 14, 2021. The valuation was prepared based on an assumed investment return of 7.40%.

The actuarial assumptions used to roll forward the TPL to the measurement date are as follows:

Inflation	2.50%
Projected salary increases, including inflation	2.75-3.5%, including inflation
Investment rate of returns *	7.40%

*Net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Teacher tables with the following adjustments, projected generationally using the MP-2020 adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Set Back (-)	Adjustment to Rates
Service Retirees	Teacher Retiree - Below Median	Male + 2, Female +2	Male 108% ages <63, 96% ages > 67, Phasing down ages 63-67, Female 112% ages < 69, 98% > age 74, Phasing down ages 69-74
Beneficiaries	Contingent Survivor below Median	Male +2, Female none	None
Disabled Retiree	Teacher Disability	Male +8, Female +3	None

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class, as provided by the RSA, are as follows:

	Target Allocation	**Long-Term Expected Rate of Return***
Fixed Income	22.00 %	2.80 %
U.S. Large Stocks	39.00	8.00
U.S. Mid Stocks	11.00	10.00
U.S. Small Stocks	5.00	11.00
International Developed Market Stocks	12.00	9.50
International Emerging Market Stocks	3.00	11.00
Alternatives	1.00	9.00
Real Estate	2.00	6.50
Cash Equivalents	5.00	1.50 %
Total	**100 %**	

*Includes inflation of 2.00%

Discount rate
The discount rate used to measure the total pension liability was 7.40 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following table presents the net pension liability calculated using the discount rate of 7.40 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.40 percent) or 1 percentage point higher (8.40 percent) than the current rate:

JRF
Sensitivity to Changes in Discount Rate
Net Pension Liability
(Amounts in Thousands)

1% Decrease	Current Rate	1% Increase
(6.40)%	(7.40)%	(8.40)%
$239,210	$187,950	$143,621

c. State Employer Segment of ERS

Employer Contributions Required and Made
As required by statute, the employer contribution rate is actuarially determined based on the amount needed in addition to employee contributions to fund the costs of member benefits earned during the year and to fund unfunded accrued liabilities. For fiscal year 2025, the required employer contribution rate for regular state employees was 16.26% for Tier 1 employees and 16.02% Tier 2 employees. For fiscal year 2025, the required employer contribution rate for State Policemen was 56.68% for Tier 1 employees and 48.20% for Tier 2 employees. Total employer contributions for fiscal year 2025 were $319,378,000 for the primary government ($311,979,000 for governmental activities and $7,399,000 for business-type activities), and $3,608,000 for component units.

For the Fiscal Year Ended September 30, 2025

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The State's net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022, rolled forward to September 30, 2023, using standard roll-forward techniques. The following tables detail the changes in the total pension liability, fiduciary net position and net pension liability:

Changes in the Net Pension Liability
Employees' Retirement System
Governmental-type Activities
(Amounts in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2023	$ 9,383,304	$ 5,222,863	$ 4,160,441
Changes for the year:			
Service costs	146,531	—	146,531
Interest	672,542	—	672,542
Benefit Change	23,564	—	23,564
Change in Assumptions	—	—	—
Difference in expected and actual experience	116,146	—	116,146
Contributions - employer	—	303,808	(303,808)
Contributions - employee	—	124,459	(124,459)
Net investment income	—	1,072,311	(1,072,311)
Change in proportion and differences between employer contributions and proportionate share of contributions	(1,201)	—	(1,201)
Benefit payments, including refunds of employee contributions	(658,871)	(658,871)	—
Administrative expense	—	(17,613)	17,613
Transfers among employees	7,928	8,489	(561)
Net changes	306,639	832,583	(525,944)
Balance at September 30, 2024	**$ 9,689,943**	**$ 6,055,446**	**$ 3,634,497**

For the Fiscal Year Ended September 30, 2025

Changes in the Net Pension Liability
Employees' Retirement System
Business-type Activities
(Amounts in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2023	$ 260,858	$ 134,056	$ 126,802
Changes for the year:			
Service costs	4,564	—	4,564
Interest	20,716	—	20,716
Benefit Change	(540)	—	(540)
Change in Assumptions	—	—	—
Difference in expected and actual experience	3,726	—	3,726
Contributions - employer	—	9,084	(9,084)
Contributions - employee	—	3,947	(3,947)
Net investment income	—	33,197	(33,197)
Change in proportion and differences between employer contributions and proportionate share of contributions	(21,915)	—	(21,915)
Benefit payments, including refunds of employee contributions	(20,296)	(20,296)	—
Administrative expense	—	(588)	588
Transfers among employees	202	(210)	412
Net changes	(13,543)	25,134	(38,677)
Balance at September 30, 2024	**$ 247,315**	**$ 159,190**	**$ 88,125**

For the Fiscal Year Ended September 30, 2025

Changes in the Net Pension Liability
Employees' Retirement System
Primary Government - Totals
(Amounts in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2023	$ 9,644,162	$ 5,356,919	$ 4,287,243
Changes for the year:			
Service costs	151,095	—	151,095
Interest	693,258	—	693,258
Benefit Change	23,024	—	23,024
Change in Assumptions	—	—	—
Difference in expected and actual experience	119,872	—	119,872
Contributions - employer	—	312,892	(312,892)
Contributions - employee	—	128,406	(128,406)
Net investment income	—	1,105,508	(1,105,508)
Change in proportion and differences between employer contributions and proportionate share of contributions	(23,116)	—	(23,116)
Benefit payments, including refunds of employee contributions	(679,167)	(679,167)	—
Administrative expense	—	(18,201)	18,201
Transfers among employees	8,130	8,279	(149)
Net changes	293,096	857,717	(564,621)
Balance at September 30, 2024	**$ 9,937,258**	**$ 6,214,636**	**$ 3,722,622**

For the Fiscal Year Ended September 30, 2025

Changes in the Net Pension Liability
Employees' Retirement System
Component Units
(Amounts in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2023	$ 56,792	$ 32,938	$ 23,854
Changes for the year:			
Service costs	859	—	859
Interest	3,897	—	3,897
Benefit change	(102)	—	(102)
Change in Assumptions	—	—	—
Difference in expected and actual experience	701	—	701
Contributions - employer	—	1,709	(1,709)
Contributions - employee	—	743	(743)
Net investment income	—	6,245	(6,245)
Change in proportion and differences between employer contributions and proportionate share of contributions	23,457	—	23,457
Benefit payments, including refunds of employee contributions	(3,818)	(3,818)	—
Administrative expense	—	(111)	111
Transfers among employees	38	(39)	77
Net changes	25,032	4,729	20,303
Balance at September 30, 2024	**$ 81,824**	**$ 37,667**	**$ 44,157**

For the year ended September 30, 2025, the primary government recognized pension expense of $451,050,000 (governmental-type activities - $438,425,000 and business-type activities - $12,625,000) and component units recognized a pension expense of $2,375,000.

For the Fiscal Year Ended September 30, 2025

As of September 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ERS
Deferred Inflows and Outflows of Resources
(Amounts in Thousands)

	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 0	$ 0	$ 0	$ 0
Differences between expected and actual experience	160,796	3,954	164,750	1,981
Change in Assumptions	1,766	—	1,766	—
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,519	—	1,519	757
Employer contributions subsequent to the measurement date	311,979	7,399	319,378	3,608
Total Deferred Outflows of Resources	**$ 476,060**	**$ 11,353**	**$ 487,413**	**$ 6,346**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 389,064	$ 9,633	$ 398,697	$ 4,827
Differences between expected and actual experience	4,988	75	5,063	37
Changes in proportion and differences between Employer contributions and proportionate share of contributions	627	17	644	1,105
Total Deferred Inflows of Resources	**$ 394,679**	**$ 9,725**	**$ 404,404**	**$ 5,969**

Employer contributions subsequent to the measurement date reported in the above tables as deferred outflows of resources will reduce the net pension liability recognized in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows and deferred inflows of resources will increase/(decrease) pension expense reported in subsequent years as follows:

ERS
Increase/(Decrease) to Pension Expenses
(Amounts in Thousands)

Fiscal Year Ended	Governmental Activities	Business-type Activities	Totals Primary Govt	Component Units
2025	$3,456	$123	$3,579	$69
2026	89,988	2,220	92,208	1,243
2027	(185,807)	(4,661)	(190,468)	(2,609)
2028	(138,235)	(3,452)	(141,687)	(1,932)

Actuarial assumptions

The discount rate used in the actuarial valuation was 7.45%, including price inflation of 2.50%..

The actuarial assumptions used to roll forward the TPL to the measurement date are as follows:

Salary increases, including inflation	3.25-6.00% for State Employees, and 4.00 to 7.75% for State Police, including 2.50% wage inflation per annum.
Investment rate of return	7.45% per annum, compounded annually, including price inflation at 2.50%.

Mortality rates were based on the Pub-2010 Below-Median tables, projected generationally using the MP-2021 scale adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Set Back (-)	Adjustment to Rates
None-FLC Service Retirees	General Healthy Below Median	Male + 2, Female +2	Male 90% ages < 65, 96% ages >= 65, Female 96% all ages
FLC/State Police Service Retirees	Public Safety Healthy Below Median	Male +1, Female none	None
Beneficiaries	Contingent Survivor Below Median	Male +2, Female +2	None
Non-FLC Disabled Retirees	General Disability	Male +7, Female +3	None
FLC/State Police Disabled Retirees	Public Safety Disability	Male +7, Female none	None

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study prepared for the period October 1, 2015 through September 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	15.00 %	2.80 %
U.S. Large Stocks	32.00	8.00
U.S. Mid Stocks	9.00	10.00
U.S. Small Stocks	4.00	11.00
International Developed Market Stocks	12.00	9.50
International Emerging Market Stocks	3.00	11.00
Alternatives	10.00	9.00
Real Estate	10.00	6.50
Cash Equivalents	5.00	1.50 %
Total	**100 %**	

*Includes assumed rate of inflation of 2.00%

Discount rate
The discount rate used to measure the total pension liability at September 30,1922, was the long term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Projected future benefit payments for all current members were projected for all years.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate
The following table presents the State's proportionate share of the net pension liability calculated using the discount rate of 7.45%, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.45)% or 1 percentage point higher (8.45)% than the current rate:

ERS
Sensitivity to Changes in Discount Rate
(Amount in Thousands)

	1% Decrease (6.45)%	Current Rate (7.45)%	1% Increase (8.45)%
Governmental Activities	$ 4,645,959	$ 3,634,497	$ 2,776,599
Business-type Activities	112,984	88,124	67,036
Totals - Primary Government	**$ 4,758,943**	**$ 3,722,621**	**$ 2,843,635**
Component Units	**$ 56,615**	**$ 44,157**	**$ 33,591**

C. Other Pension Plans

The State Port Authority administers three single-employer pension plans, the Hourly Plan, the Terminal Railway Plan, and the Hourly Defined Contribution Plan, for a small number of hourly workers and railway employees. The Peace Officers Annuity and Benefit Fund is a cost-sharing multiple-employer defined benefit pension plan that provides a small additional pension benefit to state and local peace officers beyond that which is paid by the Employees' Retirement System. The Clerks and Registers Supernumerary Fund is a cost-sharing multiple-employer defined benefit pension plan that provides pension benefits to circuit clerks and registrars of courts. The Firefighters Annuity and Benefit Fund provides small pension benefits to Alabama certified firefighters. These pension plans are not material to the State.

NOTE 11 - POSTEMPLOYMENT HEALTH BENEFITS

A. Aggregate Disclosures

1. Aggregate Other Postemployment Benefits Liabilities, Other Postemployment Benefits Assets, Deferred Outflows, Deferred Inflows and Other Postemployment Benefits Expense All Other Postemployment Benefits Funds

Aggregate Amounts

(Amounts in Thousands)

	Total Other Postemployment Benefits Liabilities	Total Assets	NOL	NOA	Deferred Outflows	Deferred Inflows	Other Postemployment Benefits Expense
Govt-type Activities							
SEIF Retired Trust	$ 2,109,054	$ 284,913	$1,824,141	$ 0	$ 944,338	$ 265,578	$ 5,130
PEEHIP Retired Trust	30,811	6,288	24,523	—	23,044	10,877	1,106
Totals GTA	**2,139,865**	**291,201**	**1,848,664**	**0**	**967,382**	**276,455**	**6,236**
Business-type Activities							
SEIF Retired Trust	$ 70,253	$ 12,797	$ 57,456	$ 0	$ 29,730	$ 8,405	$ 269
PEEHIP Retired Trust	3,435	701	2,734	—	2,443	1,254	58
Totals BTA	**73,688**	**13,498**	**60,190**	**0**	**32,173**	**9,659**	**327**
Totals Primary Govt	**$ 2,213,553**	**$ 304,699**	**$1,908,854**	**$ 0**	**$ 999,555**	**$ 286,114**	**$ 6,563**
Component Units							
SEIF Retired Trust	$ 59,795	$ 4,447	$ 55,348	$ 0	$ 37,114	$ 16,498	$ 96
PEEHIP Retired Trust	4,274,506	872,400	3,402,106	—	3,431,391	1,614,954	178,596
Other	31,761	4,578	31,097	3,914	3,995	7,043	(2,064)
Totals Component Units	**$ 4,366,062**	**$ 881,425**	**$3,488,551**	**$3,914**	**$3,472,500**	**$1,638,495**	**$ 176,628**

B. Alabama Retired State Employees' Health Care Trust (Trust)

Plan Description

The Alabama Retired State Employees' Health Care Trust (SEIF Retired Trust) is a single-employer defined benefit health care plan established as an irrevocable trust in 2007 by Constitutional Amendment 798. The Trust provides basic coverage for up to 365 days of care during each hospital confinement, outpatient care, physicians' benefits, radiation therapy, and major medical benefits with no lifetime maximum. A group dental contract provides dental maintenance coverage. Plan members include State Employees, State Police, and Judges.

Number of Members:

At September 30, 2024, the following members were covered by the benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	23,449
Inactive Members Entitled to but Not Yet Receiving Benefit Payments	1,476
Active Members	30,117
Total	**55,042**

Contribution Requirements

The State provides health care benefits for retired state employees through the State Employees' Health Insurance Plan (SEHIP). The contribution requirements of the plan members and State agencies are established and may be amended by the Board of Directors of the State Employees' Insurance Board. For retirees who retired prior to October 1, 2005, the State pays 100 percent of the premium for a retiree who is over 65 and eligible for Medicare. The State pays a portion of the premium for a retiree who is under 65. Under the SEHIP statute, the State contribution per month per retiree is funded on a pay-as-you-go basis through the active employee premiums each agency pays for its active employees. COBRA insurance is also available to state employees who terminate state service, but the employee is liable for the premiums. For retirees who retire other than for disability after October 1, 2005, the employer contribution is less for each year under twenty-five years of creditable coverage and more for each year over 25. For retirees on or after January 1, 2012, the employer contribution is also less for each year under the Medicare age. The retiree is responsible for the amount of contribution not covered by the State. Retiree contributions vary based on the type of contract, dependent coverage, Medicare eligibility, and election, wellness participation, spousal surcharge, and tobacco usage. Employer contributions for the current year were as follows:

State Employees Insurance Plan
Employer Contributions
(Amounts in Thousands)

	Amounts
Governmental-type Activities	$ 38,026
Business-type Activities	2,180
Total Primary Government	**$ 40,206**
Component Units	**$ 477**

Stand Alone Report

The State Employees' Insurance Board issued a stand-alone financial report that includes the Alabama Retired State Employees' Health Care Trust financial statements and detailed disclosures for the year ended September 30, 2025. A copy of the financial report and a copies of the GASB 74 and GASB 75 reports may be obtained at the following website:

https://www.alseib.org/

Information About the Net OPEB Liability

Assumptions and Other Inputs Used to Measure the Total OPEB Liability (TOL)

Date of Actuarial Valuation Used to Determine TOL	September 30, 2023
Service Cost	Determined using Entry Age Normal Actuarial Method
Inflation	2.50 percent
Salary increases	3.25-6.00 percent for State and Local Employees, 4.00- 7.75 percent percent for Police, and 2.75-3.50 percent for Judges, including 2.75 percent for wage inflation.
Long-term investment rate of return	7.25 percent compounded annually, net of investment expense and including inflation.
Municipal Bond Index Rate at Measurement Date	4.40 percent
Municipal Bond Index Rate at Prior Measurement Date	2.29 percent
Year FNP is projected to be depleted	N/A
Single Equivalent Interest Rate at Measurement Date	7.25 percent
Single Equivalent Interest Rate at Prior Measurement Date	7.25 percent
Healthcare Cost Trend Rates:	
Pre-Medicare Eligible	6.50 percent
Medicare Eligible	**
Ultimate Trend Rates:	
Pre-Medicare Eligible	4.50 percent
Medicare Eligible	4.50 percent
Year of Ultimate Trend Rate	2029 for Pre-Medicare
	2025 for Medicare eligible
Dental Trend Rate	4.50 percent

** Initial Medicare claims are set based on scheduled increases through plan year 2025.

For the Fiscal Year Ended September 30, 2025

Mortality

Mortality rates were based on the Pub-2010 Public Mortality Plans Mortality Tables, projected generationally using the MP-2020 scale adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Set Back (-)	Adjustment to Rates
Judges and Teachers	Teacher Below Median	Male + 2, Female +2	Male 108% ages < 63, 96% ages > 67, Phasing down ages 63-67, Female 112% ages < 69, 98% > age 74, Phasing down ages 69-74
None-FLC Service Retirees	General Below Median	Male + 2, Female +2	Male 90% ages < 65, 96% ages >= 65, Female 96% all ages
FLC/State Police Service Retirees	Public Safety Below Median	Male +1, Female none	None
Judges and Teachers Disabled Retirees	Teacher Disability	Male +8, Female +3	None
Non-FLC Disabled Retirees	General Disability	Male +7, Female +3	None
FLC/State Police Disabled Retirees	Public Safety Disability	Male +7, Female none	None

Experience Study

The assumptions and methods used in the valuation were selected based on the actuarial experience study as of September 30, 2020, submitted and adopted by the Board on September 14, 2021.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Alabama Retired State Employees' Health Care Trust
Sensitivity to Changes in the Health Care Trend Rates
(Amount in Thousands)

	1% Decrease	**Current Rate**	**1% Increase**
	(5.50% decreasing to 3.50% for pre-Medicare, Known decreasing to 3.50 % for Medicare Eligible)	**(6.50% decreasing to 4.50% for pre-Medicare, Known decreasing to 4.50 % for Medicare Eligible)**	**(7.50% decreasing to 5.50% for pre-Medicare, Known decreasing to 5.50 % for Medicare Eligible)**
Governmental Activities	$ 1,441,775	$ 1,824,140	$ 2,308,237
Business-type Activities	45,413	57,457	57,457
Totals - Primary Government	**$ 1,487,188**	**$ 1,881,597**	**$ 2,365,694**
Component Units	**$ 43,746**	**$ 55,348**	**$ 70,037**

Projected Cash Flow Assumptions

The projection of cash flows used to determine the discount rate assumed that as a base, plan contributions will be equal to the lesser of the the largest five-year average of the of the plan contributions since TEU implementation of GASB 74, indexed with inflation or actual benefit payments plus expenses. Also, due to a Board decision on September 16, 2020, an additional $1.2 million per year will be contributed on top of the base contribution.

Long-term Rate of Return

The long-term expected rate of return on OPEB plan investments is determined based on the allocation of assets by asset class and by the mean and variance of real returns.

Municipal Bond Rate

The discount bond rate uses a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. The rate used for this purpose is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index, the Fidelity General Obligation AA 20-year Municipal Bond Index, and the S&P High Grade 20-year Municipal Bond Index. The rates as September 30, 2022. were 4.02%, 4.40%, and 4.77% for the Bond Buyer, Fidelity, and S&P Municipal Bond Indices, respectively. These three resulted in an averaged Municipal Bond Index Rate of 4.40%.

Discount Rate

The Single Equivalent Discount Rate (SEIR) is used to measure the TOL.

Periods of Projected Benefit Payments

Projected future benefit payments for all current plan members were projected through 2120. The long-term rate will be used for all periods since assets are assumed to meet all future obligations.

Assumed Asset Allocation of the Plan's Portfolio

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed Income	28.2 %	4.4 %
US Domestic Stocks	55.2	8.7
International Developed Market Stocks	10.8	9.8
Cash	5.8	1.5 %
Total	**100 %**	

**Geometric mean, includes 2.5% inflation.*

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Alabama Retired State Employees' Health Care Trust

Sensitivity to Changes in Discount Rate

(Amount in Thousands)

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Governmental Activities	$ 2,173,802	$ 1,824,140	$ 1,543,141
Business-type Activities	68,471	57,457	48,606
Totals - Primary Government	**$ 2,242,273**	**$ 1,881,597**	**$ 1,591,747**
Component Units	**$ 65,958**	**$ 55,348**	**$ 46,822**

The Plan's Fiduciary Net Position

The Plan's financial report may be obtained via the Internet at the address disclosed above. The OPEB plan's fiduciary net position has been determined on the same basis used by the OPEB plan. The Plan's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Plan member contributions are recognized in the period due. Employer contributions are recognized when earned, pursuant to plan requirements. Benefits are recognized when due and payable, in accordance with the terms of the Plan. Revenues are recognized when earned and expenses are recognized when incurred. Investments are reported at fair value and changes in fair value are included in investment income.

Changes in Actuarial Assumptions

In 2022, rate of participation were adjusted to reflect actual and anticipated experience more closely.

In 2021, rates of withdrawal, retirement, disability, and mortality were adjusted to reflect actual experience more closely. Also, economic assumptions and the assumed rates of salary increases were adjusted to reflect actual and anticipated experience more closely.

Recent Plan Changes

Beginning in plan year 2022, the valuation reflects the provisions of the following legislative Acts:

- Act 2022-222, which allows TRS Tier II members to retire with 30 years of creditable service regardless of age with an early pension benefit retirement reduction of 2% for each year that the member is less than age 62 at retirement (age 56 for FLC).

- Act 2022-351 which allows ERS State and Police Tier II members to retire with 30 years of creditable service regardless of age with an early pension benefit retirement reduction of 2% for each year that the member is less than age 62 at retirement (age 56 for FLC).

Beginning in plan year 2021, the Medicare Advantage Plan with Prescription Drug Coverage (MAPD) plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019.

Effective January 1, 2020, the MAPD plan moved from self-insured to fully-insured.

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through the MAPD plan.

Changes in the Net OPEB Liability

The Plan's net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2020 rolled forward to September 30, 2021 using standard roll-forward techniques. The following tables detail the changes in the total OPEB liability, fiduciary net position and net OPEB liability:

Changes in the Net OPEB Liability
Alabama Retired State Employees' Health Care Trust
Governmental-type Activities
(Amounts in Thousands)

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a)-(b)
Balances at September 30, 2023	$ 1,093,177	$ 227,465	$ 865,712
Changes for the year:			
Service costs	24,038	—	24,038
Interest	77,231	—	77,231
Change in Assumptions	455,310	—	455,310
Benefit Changes	—	—	—
Difference in expected and actual experience	494,319	—	494,319
Contributions - employer	—	52,287	(52,287)
Net investment income	—	56,381	(56,381)
Change in proportion and differences between employer contributions and proportionate share of contributions	16,148	—	16,148
Benefit payments, including refunds of employee contributions *	(51,169)	(51,169)	—
Administrative expense	—	(51)	51
Transfers among employees	—	—	—
Net changes	1,015,877	57,448	958,429
Balance at September 30, 2024	**$ 2,109,054**	**$ 284,913**	**$ 1,824,141**

*Benefit payments are net of member contributions

For the Fiscal Year Ended September 30, 2025

Changes in the Net OPEB Liability
Alabama Retired State Employees' Health Care Trust
Business-type Activities
(Amounts in Thousands)

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a)-(b)
Balances at September 30, 2023	$ 55,210	$ 9,782	$ 45,428
Changes for the year:			
Service costs	1,261	—	1,261
Interest	4,053	—	4,053
Change in Assumptions	23,892	—	23,892
Change in Benefits	—	—	—
Difference in expected and actual experience	25,939	—	25,939
Contributions - employer	—	2,744	(2,744)
Net investment income	—	2,959	(2,959)
Change in proportion and differences between employer contributions and proportionate share of contributions	(37,417)	—	(37,417)
Benefit payments, including refunds of employee contributions*	(2,685)	(2,685)	—
Administrative expense	—	(3)	3
Net changes	15,043	3,015	12,028
Balance at September 30, 2024	**$ 70,253**	**$ 12,797**	**$ 57,456**

*Benefit payments are net of member contributions

For the Fiscal Year Ended September 30, 2025

Changes in the Net OPEB Liability
Alabama Retired State Employees' Health Care Trust
Primary Government - Totals
(Amounts in Thousands)

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a)-(b)
Balances at September 30, 2023	$ 1,148,387	$ 237,247	$ 911,140
Changes for the year:			
Service costs	25,299	—	25,299
Interest	81,284	—	81,284
Change in Assumptions	479,202	—	479,202
Change in Benefits	—	—	—
Difference in expected and actual experience	520,258	—	520,258
Contributions - employer	—	55,031	(55,031)
Net investment income	—	59,340	(59,340)
Change in proportion and differences between employer contributions and proportionate share of contributions	(21,269)	—	(21,269)
Benefit payments, including refunds of employee contributions *	(53,854)	(53,854)	—
Administrative expense	—	(54)	54
Net changes	1,030,920	60,463	970,457
Balance at September 30, 2024	**$ 2,179,307**	**$ 297,710**	**$ 1,881,597**

*Benefit payments are net of member contributions

For the Fiscal Year Ended September 30, 2025

Changes in the Net OPEB Liability
Alabama Retired State Employees' Health Care Trust
Component Units
(Amounts in Thousands)

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a)-(b)
Balances at September 30, 2023	$ 19,621	$ 3,369	$ 16,252
Changes for the year:			
Service costs	451	—	451
Interest	1,450	—	1,450
Change in Assumptions	8,547	—	8,547
Change in Benefits	—	—	—
Difference in expected and actual experience	9,279	—	9,279
Contributions - employer	—	982	(982)
Net investment income	—	1,058	(1,058)
Change in proportion and differences between employer contributions and proportionate share of contributions	21,408	—	21,408
Benefit payments, including refunds of employee contributions *	(961)	(961)	—
Administrative expense	—	(1)	1
Net changes	40,174	1,078	39,096
Balance at September 30, 2024	**$ 59,795**	**$ 4,447**	**$ 55,348**

*Benefit payments are net of member contributions

OPEB Expense

For the year ended September 30, 2025, the primary government recognized OPEB expense of $5,399,000 (governmental-type activities - $5,130,000 and business-type activities - $269,000 and component units recognized an OPEB expense of $96,000.

Deferred Outflows and Inflows of Resources

As of September 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Alabama Retired State Employees' Health Care Trust
Deferred Inflows and Outflows of Resources
(Amounts in Thousands)

	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Deferred Outflows of Resources				
Net difference between projected and actual earnings on OPEB plan investments	$ 0	$ 0	$ 0	$ 0
Differences between expected and actual experience	408,706	12,873	421,579	12,401
Change in Assumptions	442,095	13,925	456,020	13,414
Changes in proportion and differences between Employer contributions and proportionate share of contributions	55,511	1,734	57,245	10,119
Employer contributions subsequent to the measurement date	38,026	1,198	39,224	1,180
Total Deferred Outflows of Resources	**$ 944,338**	**$ 29,730**	**$ 974,068**	**$ 37,114**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on OPEB plan investments	$ 24,863	$ 783	$ 25,646	$ 754
Differences between expected and actual experience	143,093	4,507	147,600	4,342
Change in Assumptions	41,976	1,322	43,298	1,274
Changes in proportion and differences between Employer contributions and proportionate share of contributions	55,647	1,793	57,440	10,128
Total Deferred Inflows of Resources	**$ 265,579**	**$ 8,405**	**$ 273,984**	**$ 16,498**

Employer contributions subsequent to the measurement date reported in the above tables as deferred outflows of resources will reduce the net OPEB liability recognized in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows and deferred inflows of resources will increase/(decrease) OPEB expense reported in subsequent years as follows:

Alabama Retired State Employees' Health Care Trust
Increase/(Decrease) to OPEB Expenses
(Amounts in Thousands)

Fiscal Year Ended	Governmental Activities	Business-type Activities	Totals Primary Govt	Component Units
2025	$ 96,334	$ 3,026	$ 99,360	$ 2,922
2026	155,255	4,877	160,132	4,709
2027	158,479	4,978	163,457	4,807
2028	166,331	5,225	171,556	5,045
2029	64,337	2,021	66,358	1,952

C. Alabama Retired Education Employees' Health Care Trust

Plan Description

The Alabama Retired Education Employees' Health Care Trust (PEEHIP Retired Trust) is a cost sharing multiple employer defined benefit postemployment healthcare plan that administers healthcare benefits to retirees of participating state and local educational institutions. The Trust was established under the Alabama Retiree Health Care Funding Act of 2007 as an irrevocable trust to fund postemployment healthcare benefits to retirees . Benefits include inpatient hospitalization for a maximum of 365 days without a dollar limit, inpatient rehabilitation, outpatient care, physician services and prescription drugs.

Contribution Requirements

The Code of Alabama 1975, Section 16-25A-8 and the Code of Alabama 1975, Section 16-25-8.1 provide the Board with the authority to set employer contribution requirements for each required class, respectively. Additionally, the Board is required to certify to the Governor and the Legislature, the amount, as a monthly premium per active member, necessary to fund active and retired member benefits for the following fiscal year.The Legislature then sets the premium rate in the annual appropriation bill.

OPEB Plan Stand Alone Financial and GASB Reports

The Public Education Employees' Health Insurance Board issues a stand-alone financial report for the Alabama Retired Education Employees' Health Care Trust that includes financial statements and detailed disclosures for the year ended September 30, 2025. The financial report and the GASB 74 and 75 reports may be obtained at the following website:
www.rsa-al.gov

Information About the Employer's Proportionate Share of the Collective Net OPEB Liability

Assumptions and Other Inputs

The following table provides significant assumptions and other inputs used to measure the total OPEB liability:

Date of Actuarial Valuation Used to Determine TOL	September 30, 2023
Service Cost	Determined using Entry Age Normal Actuarial Method
Inflation	2.50 percent
Salary increases	3.25-5.00 percent, including 2.75 percent for wage inflation.
Long-term investment rate of return	7.00 percent compounded annually, net of investment expense and including inflation.
Municipal Bond Index Rate at Measurement Date	3.89%
Municipal Bond Index Rate at Prior Measurement Date	4.53%
Year FNP is projected to be depleted	2040
Single Equivalent Interest Rate at Measurement Date	4.32%
Single Equivalent Interest Rate at Prior Measurement Date	7.00%
Healthcare Cost Trend Rates:	
Pre-Medicare Eligible	6.75%
Medicare Eligible	**
Ultimate Trend Rates:	
Pre-Medicare Eligible	4.50% in FY 2033
Medicare Eligible	4.50% in FY 2028

** Initial Medicare claims are set based on renewal premium rates through calendar year 2025 with an assumed 0% increase for the upcoming 2026-2028 negotiation period.

Mortality

Post-Retirement Mortality rates are based on the Pub-2010 Public Mortality Plans Mortality Tables with the following adjustments, projected generationally using the MP-2020 scale adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Set Back (-)	Adjustment to Rates
Active Members	Teacher Employee Below Median	None	65 %
Service Retirees	Teacher Below Median	Male + 2, Female +2	Male 108% ages <63, 96% ages > 67, Phasing down ages 63-67, Female 112% ages < 69, 98% > age 74, Phasing down ages 69-74
Beneficiaries	Teacher Contingent Survivor below Median	Male +2, Female none	None
Disabled Retiree	Teacher Disability	Male +8, Female +3	None

Experience Study

The decremental assumptions and methods used in the valuation were selected based on the actuarial experience study as of September 30, 2020, which was submitted to and adopted by the Teachers' Retirement Board on September 13, 2021

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) were based on the September 30, 2023 valuation.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Alabama Retired Education Employees' Health Care Trust

Net OPEB Liability

Sensitivity to Changes in the Health Care Trend Rates

(Amount in Thousands)

	1% Decrease (5.75% decreasing to 3.50% for pre-Medicare, Known decreasing to 3.50% for Medicare Eligible)	**Current Rate (6.75% decreasing to 4.50% for pre-Medicare, Known decreasing to 4.50% for Medicare Eligible)**	**1% Increase (7.75% decreasing to 5.50% for pre-Medicare, Known decreasing to 5.50% for Medicare Eligible)**
Governmental Activities	$ 19,726	$ 24,523	$ 30,707
Business-type Activities	2,199	2,734	3,424
Totals - Primary Government	**$ 21,925**	**$ 27,257**	**$ 34,131**
Component Units	**$ 2,736,706**	**$ 3,402,105**	**$ 4,260,138**

Projected Cash Flow Assumption
The projection of cash flows used to determine the discount rate assumed the plan contributions will be made at the current contribution rates. Each year, the State specifies the monthly employer rate that participating school systems must contribute for each active employee. Currently, the monthly employer rate is $800 per non-university active member. 11.051% of the employer contributions were used to assist in funding retiree benefit payments in fiscal year 2023. 9.751% of the employer contributions were used to assist in funding retiree benefit payments in fiscal year 2024. It is assumed that the 9.751% will increase or decrease at the same rate as expected benefit payments for the closed group with a cap of 20.00%. It is assumed the $800 rate will remain flat until, based on budget projection, it increase to $904 in fiscal year 2026, $1,1114 in fiscal year 2027, and then will increase with inflation at 2.50% starting in fiscal year 2028. Retiree benefit payments for University members are paid by the Universities and are not included in the cash flow projections.

Long-term Rate of Return
The long-term expected rate of return on OPEB plan investments is determined based on the allocation of assets by asset class and by the mean and variance of real returns.

Municipal Bond Rate
The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all the benefits are paid.

Discount Rate
The discount rate used to measure the TOL was 4.32%.

Periods of Projected Benefit Payments
Projected future benefit payments for all current plan members were projected through 2122.

Assumed Asset Allocation of the Plan's Portfolio

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed Income	30.0 %	4.4 %
US Large Stocks	38.0	8.0
US Mid Stocks	8.0	10.0
US Small Stocks	4.0	11.0
International Developed Market Stocks	15.0	9.5
Cash	5.0	1.5 %
Total	**100 %**	

**Geometric mean, includes 2.5% inflation.*

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Alabama Retired Education Employees' Health Care Trust
Net OPEB Liability
Sensitivity to Changes in Discount Rate
(Amount in Thousands)

	1% Decrease (3.32%)	Current Rate (4.32%)	1% Increase (5.32%)
Governmental Activities	$ 29,789	$ 24,523	$ 20,314
Business-type Activities	3,321	2,734	2,265
Totals - Primary Government	**$ 33,110**	**$ 27,257**	**$ 22,579**
Component Units	**$ 4,132,773**	**$ 3,402,105**	**$ 2,818,222**

The Plan's Fiduciary Net Position
The Plan's financial report may be obtained via the Internet at the address disclosed above. The OPEB plan's fiduciary net position has been determined on the same basis used by the OPEB plan. The Plan's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Plan member contributions are recognized in the period due. Employer contributions are recognized when earned, pursuant to plan requirements. Benefits are recognized when due and payable, in accordance with the terms of the Plan. Revenues are recognized when earned and expenses are recognized when incurred. Investments are reported at fair value and changes in fair value are included in investment income.

Net OPEB Liability
The Plan's net OPEB liability was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2023 rolled forward to September 30, 2024 using standard roll-forward techniques.

Proportionate Share of OPEB Liability
The employer's proportionate share was determined based on its share of total employer contributions. The following table presents the employer's proportionate share of the NOL at the measurement date for the current and prior year and the change in the proportionate share.

Alabama Retired Education Employees' Health Care Trust
Proportionate Share of Collective Net OPEB Liability
(Amounts in Thousands)

	Employer's Proportionate Share	Current Year Proportionate Share	Prior Year Proportionate Share	Change in Proportionate Share
Governmental-type Activities	$ 24,523	0.27 %	0.25 %	0.02 %
Business-type Activities	$ 2,734	0.03	0.03	—
Totals - Primary Government	**$ 27,257**	**0.30 %**	**0.28 %**	**0.02 %**
Component Units	**$ 3,402,105**	**37.01 %**	**35.25 %**	**1.76 %**

The net OPEB liability was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2023. Each participating unit included in the State's financial report has its own proportion of the net OPEB liability based on a projection of the unit's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

Changes in Actuarial Assumptions Since the Previous Measurement Date

Since the prior measurement date, changes in the actuarial assumptions contributed to a decrease in the Net OPEB Obligation (NOL) of $7,251,000 for the primary government ($6,524,000 for governmental-type activities and $727,000 for business-type activities) and $905,065,000 for component units. A new experience study dated September 30, 2023, resulted in changes in actuarial assumptions, including reductions of wage and price inflation, decreased rates of retirement, and lowered rates of disability retirement.

Recent Plan Changes

The Plan is changed each year to reflect the Affordable Care Act (ACA) maximum out-of-pocket amounts.

Beginning in plan year 2021, the MAPD plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019.

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through the MAPD plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense

For the year ended September 30, 2023, the primary government recognized OPEB expense of $1,164,000 (governmental-type activities - $1,106,000 and business-type activities - $58,000 and component units recognized OPEB expense of $178,596,000.

Deferred Outflows and Inflows

As of September 30, 2025 the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Alabama Retired Education Employee's Health Care Trust

Deferred Outflows and Inflows of Resources

(Amounts in Thousands)

	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Deferred Outflows of Resources				
Net difference between projected and actual earnings on OPEB plan investments	$ 0	$ 0	$ 0	$ 0
Differences between expected and actual experience	11,436	1,275	12,711	1,586,603
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,823	134	2,957	598,587
Change in Assumptions	8,445	942	9,387	1,171,660
Employer contributions subsequent to the measurement date	340	92	432	74,540
Total Deferred Outflows of Resources	**$ 23,044**	**$ 2,443**	**$ 25,487**	**$ 3,431,390**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on OPEB plan investments	$ 605	$ 67	$ 672	$ 83,935
Differences between expected and actual experience	5,293	590	5,883	734,268
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,510	210	1,720	315,408
Change in Assumptions	3,470	387	3,857	481,343
Total Deferred Inflows of Resources	**$ 10,878**	**$ 1,254**	**$ 12,132**	**$ 1,614,954**

Employer contributions subsequent to the measurement date reported in the above tables as deferred outflows of resources will reduce the net pension liability recognized in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows and deferred inflows of resources will increase/(decrease) OPEB expense reported in subsequent years as follows:

Alabama Retired Education Employees' Health Care Trust
Increase/(Decrease) to OPEB Expenses
(Amounts in Thousands)

Fiscal Year Ended	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
2025	$1,928	$179	$2,107	$284,011
2026	1,912	1,912	3,824	281,577
2027	1,169	1,169	2,338	172,118
2028	2,083	193	2,276	306,808
2029	3,593	333	3,926	529,214
2030	1,142	106	1,248	168,168

NOTE 12 - RELATED ORGANIZATIONS

The State's officials are responsible for appointing a majority of the members of the boards of other organizations, but the State's accountability for these organizations does not extend beyond making appointments. The State appoints the nine-member board of the Private Colleges and Universities Facilities Authority and a majority of the eleven member board of the Alabama Family Trust Corporation.

NOTE 13 - CONTINGENCIES

A. Grants

The State receives federal grants for specific purposes that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes.

Federal grantor agencies from time to time review state records to determine whether the State has complied with the terms and conditions of grant agreements and federal regulations. Any disallowance resulting from a federal audit may become a liability of the State but cannot be reasonably estimated at this time. It is believed that any liability resulting from a determination of noncompliance will not materially affect the State's financial condition.

B. Litigation

The State is a party to numerous legal proceedings that occur in the normal course of governmental operations, some of which involve potentially significant amounts. The lawsuits involving potentially significant amounts are described below. Other proceedings involving amounts that, when aggregated, have no material effect on the accompanying government-wide financial statements, may have an impact on the related individual state agencies and funds. The monetary impact, if any, of litigation resulting in adverse rulings is usually addressed in subsequent state budgets and modifications of state laws. Due to the

uncertainty involving the ultimate outcome and amounts of the unresolved litigation described below, no provision for potential liability has been recorded in the accompanying financial statements.

The State of Alabama is a signatory party to the Master Settlement Agreement (MSA) of 1998. The MSA was entered into as a settlement of litigation brought against the participating tobacco products manufacturers (manufacturers) by the Attorney Generals of the signatory states to reimburse the states for health care expenses in treating their citizens affected by the use of tobacco products sold by the manufacturers. The MSA contains a provision that allows an adjustment to reduce the payments by the tobacco industry if the MSA has been determined to be a significant factor in the loss of market share by the manufacturers. States will not be subject to a reduction in their payments if it is determined that they diligently enforced their escrow statutes. Arbitration issues continue to be expected.

The State of Alabama Department of Revenue is also involved in significant tax-related lawsuits or actions that challenge the legality of certain taxes or challenge other provisions of tax laws and procedures. Other cases challenge tax assessments made by the Department. These cases have a significant combined potential refund liability or reductions of assessments. Adverse rulings in these cases could also reduce future revenues.

NOTE 14 - SUBSEQUENT EVENTS

On December 11, 2025, the Alabama Highway Authority issued bonds in the amount of $750,000,000 for the West Alabama Highway Project that will provide a four-lane corridor from Mobile to just below Tuscaloosa (I-59/20).

On February 24, 2026, the Bond Commission met to approve the future issuance of the Series 2026-A not to exceed $78,500,000 principal amount for funding economic development projects.

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - All Budgeted Funds
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	GENERAL FUND			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	$ 2,018,305	$ 2,106,915	$ 2,605,919	$ 499,004
Licenses, Permits and Fees	156,391	163,257	201,923	38,666
Fines, Forfeits, and Court Settlements	13,358	13,944	17,247	3,303
Investment Income	394,885	412,222	509,853	97,631
Federal Grants and Reimbursements	—	—	—	—
Other Revenues	1,644	1,716	2,123	407
Total Revenues	**2,584,583**	**2,698,054**	**3,337,065**	**639,011**
EXPENDITURES				
Administrative Office of Courts	181,398	181,698	181,562	136
Agriculture and Industries	20,729	20,567	20,567	—
Alabama Community College System	—	—	—	—
Attorney General	14,039	14,039	14,039	—
Auditor	1,483	1,483	1,215	268
Commission on Higher Education	—	—	—	—
Corrections	780,558	738,690	730,005	8,685
Economic and Community Affairs	99,993	99,255	53,348	45,907
Education	—	—	—	—
Emergency Management	10,091	12,712	10,269	2,443
Examiners of Public Accounts	10,919	10,919	10,919	—
Finance	23,681	23,569	10,296	13,273
Governor	9,206	8,047	5,704	2,343
Human Resources	—	—	—	—
Labor	4,677	6,323	2,695	3,628
Law Enforcement	—	—	—	—
Legislature	44,224	35,601	27,744	7,857
Medicaid	955,529	1,123,529	1,034,101	89,428
Mental Health	—	—	—	—
Public Health	78,228	78,229	67,926	10,303
Public Service Commission	—	—	—	—
Rehabilitation Services	—	—	—	—
Revenue	113	113	45	68
Secretary of State	2,467	2,467	2,031	436
Transportation	—	—	—	—
Treasurer	—	—	—	—
Youth Services	—	—	—	—
Universities and Training Institutes	—	—	—	—
Other	522,683	524,727	422,648	102,079
Total Expenditures	**2,760,018**	**2,881,968**	**2,595,114**	**286,854**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(175,435)**	**(183,914)**	**741,951**	**925,865**
OTHER FINANCING SOURCES (USES)				
Carryover of funds from prior year	759,647	759,647	759,647	—
Transfers In	190,481	198,844	245,938	47,094
Transfers Out	(774,693)	(774,693)	(774,244)	449
Insurance Recovery Proceeds	—	116	116	—
Total Other Financing Sources (Uses)	**175,435**	**183,914**	**231,457**	**47,543**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**$ 0**	**$ 0**	**973,408**	**$ 973,408**

EDUCATION TRUST FUND				EARMARKED FUNDS			
Budgeted Amounts		Actual (Budgetary	Variance with Final	Budgeted Amounts		Actual (Budgetary	Variance with Final
Original	Final	Basis)	Budget	Original	Final	Basis)	Budget
$ 7,152,445	$ 9,320,474	$ 10,918,148	$ 1,597,674	$ 1,883,076	$ 2,394,420	$ 2,070,731	$ (323,689)
137	178	209	31	673,838	856,817	740,988	(115,829)
1	1	1	—	51,861	65,944	57,029	(8,915)
—	—	—	—	27,291	34,702	30,011	(4,691)
10	13	15	2	12,382,613	15,745,073	13,616,577	(2,128,496)
670	874	1,024	150	1,270,084	1,614,970	1,396,651	(218,319)
7,153,263	**9,321,540**	**10,919,397**	**1,597,857**	**16,288,763**	**20,711,926**	**17,911,987**	**(2,799,939)**
750	750	548	202	47,009	68,208	58,325	9,883
828	828	771	57	61,726	61,726	46,219	15,507
586,948	642,760	642,760	—	2,000	128,530	127,687	843
—	—	—	—	19,540	29,287	18,916	10,371
—	—	—	—	—	—		—
97,556	103,187	68,361	34,826	6,183	18,683	5,467	13,216
—	—	—	—	104,892	116,584	68,629	47,955
4,637	4,637	178	4,459	555,418	1,115,457	498,608	616,849
5,935,660	6,403,766	6,045,487	358,279	4,676,410	5,682,973	2,696,341	2,986,632
—		—	—	160,072	160,072	57,314	102,758
10,854	10,854	10,854	—	8,154	8,154	6,039	2,115
989	990	489	501	121,346	125,615	97,219	28,396
—	—	—	—	—	530	—	530
—	—	—	—	2,864,672	3,170,646	3,011,807	158,839
—	5,000	—	5,000	251,932	257,344	100,460	156,884
—	—	—	—	268,587	340,339	248,712	91,627
11,917	11,918	2,211	9,707	—	—	—	—
—	—	—	—	8,840,053	8,981,972	8,359,306	622,666
—	—	—	—	1,413,354	1,613,140	1,479,174	133,966
23,924	25,503	23,950	1,553	1,190,842	1,282,671	1,042,350	240,321
—	—	—	—	21,512	21,512	16,269	5,243
55,287	55,787	55,750	37	211,441	215,145	169,307	45,838
1,000	1,513	1,513	—	252,995	427,615	353,873	73,742
—	—	—	—	12,387	16,163	6,829	9,334
—	—	—	—	2,078,525	3,788,666	2,148,866	1,639,800
—	—	—	—	5,587	6,419	5,036	1,383
—	—	—	—	110,136	114,736	106,830	7,906
1,766,070	1,861,321	1,861,321	—	—	138,627	138,627	—
596,537	729,884	696,018	33,866	2,227,077	3,271,925	2,136,445	1,135,480
9,092,957	**9,858,698**	**9,410,211**	**448,487**	**25,511,850**	**31,162,739**	**23,004,655**	**8,158,084**
(1,939,694)	**(537,158)**	**1,509,186**	**2,046,344**	**(9,223,087)**	**(10,450,813)**	**(5,092,668)**	**5,358,145**
2,315,919	2,315,919	2,315,919	—	4,790,681	4,790,681	4,790,681	—
12	16	19	3	4,432,406	5,636,012	4,874,108	(761,904)
(376,237)	(1,778,793)	(1,778,793)	—	—	—	—	—
—	16	16	—	—	24,120	24,120	—
1,939,694	**537,158**	**537,161**	**3**	**9,223,087**	**10,450,813**	**9,688,909**	**(761,904)**
$ 0	**$ 0**	**2,046,347**	**$ 2,046,347**	**$ 0**	**$ 0**	**4,596,241**	**$ 4,596,241**

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - Budget-to-GAAP Reconciliation
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	BUDGETARY FUNDS				
	General Fund	Education Trust Fund	Earmarked Funds	Alabama Trust Fund	Medicaid Fund
Revenues and Other Sources Over (Under) Expenditures and Other Uses - Budgetary Basis	**$ 973,408**	**$ 2,046,347**	**$ 4,596,241**		
Reconciliation to GAAP Basis:					
Perspective Differences:					
Reclassification of budgetary funds to GAAP financial statement fund types			(4,596,241)	$ 793	$ 183,132
Basis Differences:					
Accruals of revenues and other revenue adjustments	82,664	174,037		1,329	20,114
To remove prior year funds carried over in budget	(759,647)	(2,315,919)		(217)	(121,682)
Accruals of expenditures and capitalization of assets	(43,578)	(182,008)		(51)	(29,794)
To remove encumbrances recognized as expenditures	11,623	3,458		934	16,253
To recognize prior budget year expenditures/expenses	(32,027)	(26,321)		(99)	(735)
To remove budget expenditures/expenses not accrued as liabilities	646	(449)		(4)	—
Entity Differences:					
Add net operating results for funds not budgeted				248,914	—
Net Change in Fund Balances/Net Position - GAAP Basis	**$ 233,089**	**$ (300,855)**	**$ 0**	**$ 251,599**	**$ 67,288**

FINANCIAL STATEMENT CLASSIFICATION

Public Welfare Trust Fund	ARPA Coronavirus State Fiscal Recovery	Nonmajor Governmental Funds	Unemployment Compensation Trust	State Port Authority	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds
$ 7,826	$ 535,310	$ 3,787,239	$ 3,978	$ 0	$ (87,949)	$ 26,681
4,944	445,724	202,764	—	—	(2,259)	(248)
(73,530)	(825,357)	(3,573,356)	(3,978)	—	(11,783)	(25,211)
17,344	(155,677)	(210,162)	—	—	96,361	(1,991)
19,115	798	106,593	—	—	1,787	203
(730)	—	(63,360)	—	—	(387)	(23)
74	(798)	6,408	—	—	—	—
299	—	(276,237)	53,565	—	16,062	9,230
$ (24,658)	**$ 0**	**$ (20,111)**	**$ 53,565**	**$ 0**	**$ 11,832**	**$ 8,641**

continued on next page...

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - Budget-to-GAAP Reconciliation
For the Fiscal Year Ended September 30, 2025 *(continued)*

(Amounts in Thousands)

	FINANCIAL STATEMENT CLASSIFICATION			
	Internal Service Funds	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Component Units
Revenues and Other Sources Over (Under) Expenditures and Other Uses - Budgetary Basis				
Reconciliation to GAAP Basis:				
Perspective Differences:				
Reclassification of budgetary funds to GAAP financial statement fund types	$ 53,438	$ 70,436	$ 617	$ 14,740
Basis Differences:				
Accruals of revenues and other revenue adjustments	209	(509)	6	2,044
To remove prior year funds carried over in budget	(52,465)	(87,071)	(890)	(15,141)
Accruals of expenditures and capitalization of assets	(8,282)	20,720	(10)	584
To remove encumbrances recognized as expenditures	7,817	71	—	418
To recognize prior budget year expenditures/expenses	(1,327)	—	—	(269)
To remove budget expenditures/expenses not accrued as liabilities	(634)	—	—	1
Entity Differences:				
Add net operating results for funds not budgeted	31,123	3,987,809	272,729	1,781,714
Net Change in Fund Balances/Net Position - GAAP Basis	**$ 29,879**	**$ 3,991,456**	**$ 272,452**	**$ 1,784,091**

Budgetary Process

Formulation of the budget begins with the preparation of estimates of expenditure requirements for the next fiscal year by the administrative head of each budgeted agency and institution. These estimates are submitted annually to the Executive Budget Office of the Finance Department on or before the first day of the third month preceding each regular session of the Legislature. The budget is prepared by program elements for each agency. Requested changes in programmatic expenditures over the prior fiscal year must be explained, and proposed capital expenditures must be justified as required by the Executive Budget Office.

The budget document, as finally developed by the Governor, is published and transmitted to the Legislature on or before the second legislative day of each regular session. For each agency, comparative summaries of appropriations and revenues are presented for the prior year, current year, the agency's request for the next year, and the Governor's recommendation for the next year. The recommended appropriation bills indicate the programmatic appropriation to each agency and the source of funds from which each appropriation is to be paid. The Legislature then legally enacts the State budget into law through the passage of a number of bills as Appropriation Acts. Some conditional appropriations are included in the Appropriation Acts. The agencies do not include these conditional amounts in the original budget, unless the conditions have been met before the fiscal year begins.

During fiscal year 2025, approximately $70 million of supplemental appropriations were distributed from the General Fund. The Court Automation Fund, the Dept. of Finance, and the Dept. of Commerce received supplemental appropriations in the amounts of $8 million, $50 million, and $5 million, respectively. Approximately $257 million of conditional and other appropriations were distributed to various agencies from the General Fund. The Correctional Capital Improvement Fund received conditional appropriations in the amounts of $200 million. Some expenditures are required by law to be fully funded and estimated amounts are approved in the General Fund appropriation bill. Increases to these estimated amounts do not require a new bill and are included as other appropriations. Original appropriations to the Departmental Emergency Fund are included in the original budget. Emergency appropriations cannot exceed two percent of the total General Fund appropriation bill.

During fiscal year 2025, approximately $524 million of supplemental appropriations were distributed from the Education Trust Fund (ETF). The Community College System, the Dept. of Education and the Dept. of Revenue received supplemental appropriations in the amounts of $56 million, $136 million and $50 million respectively.

The Appropriation Acts budget by agency and program rather than by GAAP basis funds. The State funds its budgetary activities under three budgetary fund groups. The first is the General Fund, which includes many of the general operations of the three branches of government. The second is the Education Trust Fund, which is restricted to funding all levels of educational activity in the State. The third budgetary group is referred to in the budget documents as Earmarked Funds. The Earmarked Funds group includes the operations of most governmental funds of both the primary government and the component units, as well as portions of some proprietary and fiduciary operations.

The Appropriation Acts do not include a revenue budget. At the time of their passage, estimates prepared by legislative and executive branch professional staff assure the legislature that adequate revenues will be available to meet the level of appropriations approved. The Appropriation Acts specify that in addition to the appropriations made, all gifts, grants, or contributions in excess of the amount appropriated are automatically appropriated to be used for the purposes specified in the gift, grant, or contribution. This includes federal funds which are included in the Earmarked Funds. Most of the $6 billion increase in the Earmarked Funds is increased federal funds.

Numerous statutes exist which restrict the use of most state revenue sources to specific uses. The General Fund is funded by a wide variety of taxes, licenses, and interest income. The ETF is funded primarily by income taxes and sales taxes. The Earmarked Funds are generally funded by a combination of federal funds, local funds, and specific taxes and licenses. State law also requires that if revenues actually received are inadequate to fund the appropriations, then the appropriations must be prorated to the level that the revenues will support. For the Budgetary Comparison Schedule, the budgeted revenues consist of the amount of budgeted expenditures allocated among the revenue categories in proportion to the actual amounts received.

Budgetary Control

The legal level of control is the agency and program specified in the Appropriation Acts. For example, "Lab Analysis and Disease Control" and "Agricultural Inspection Services" are two programs within the agency of Agriculture and Industries. Below this legal level of control, the professional management of the Finance Department, under the authority of the Governor's policy, exercises budgetary control at the fund and object level. Each agency must submit an operations plan detailing planned expenditures down to the object level, and then must follow that plan or explain why a change must be made. Allotments of appropriations are made quarterly based on the plans of operations submitted by the agencies.

The Department of Finance enforces both the legal level and the professional management level of budgetary control through automated edits which must be complied with before making expenditures against an appropriation. A change between objects within appropriations for programs (financial management level) must have the approval of the Budget Officer and the Finance Director.

The Budget Management Act legally authorizes the transfer of appropriations between programs within an agency with the approval of the Governor. Any transfers approved by the Governor must be reported to the Legislature. Transfers between agencies, but within the same program, may be made pursuant to interagency agreements executed for the purposes of accomplishing the objectives for which the Legislature made the appropriation. These interagency agreements must also be approved by the Governor. Under the Budget Management Act, the Governor cannot create new budget authority; he or she can only transfer existing authority.

Both the *Constitution of Alabama of 1901* and the statutes require a balanced budget for annual financial operations. The Finance Department monitors revenue projections during the year to ensure that adequate funds will be available to meet budgeted expenditures. If cash collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent an overdraft or budget deficit in any fiscal year. Within the Alabama Trust Fund, a General Fund Rainy Day Account and an Education Trust Fund Rainy Day Account have been created by constitutional amendment. If proration is declared for the General Fund or the Education Trust Fund, then oil and gas capital payments in the Alabama Trust Fund will be used to fund withdrawals from the Rainy Day Accounts. If proration is declared for the General Fund, Rainy Day withdrawals may not exceed the lesser of a) ten percent of the previous fiscal year's General Fund appropriations less the total amount of any prior years' withdrawals from the account which have not been repaid to the account, or b) the average of the estimated available revenue for the General Fund certified by the Finance Director and the Legislative Fiscal Officer prior to the third legislative day of the Regular Session. If proration is declared for the Education Trust Fund, Rainy Day withdrawals may not exceed the lesser of a) six and one-half percent of the previous fiscal year's Education Trust Fund appropriations less the total amount of any prior years' withdrawals from the account which have not been repaid to the account, or b) the average of the estimated available revenue for the Education Trust Fund certified by the Finance Director and the Legislative Fiscal Officer prior to the third legislative day of the Regular Session. The Rainy Day Accounts must be replenished within 10 years for the General Fund withdrawals and 6 years for the Education Trust Fund withdrawals. Neither the General Fund nor the Education Trust Fund was prorated in 2025. The General Fund and the Education Trust Fund have paid back all of its withdrawals. The available balance during FY 25 for the Education Trust Fund Rainy Day Account was $756 million. The General Fund Rainy Day Account available balance during FY 25 was $385 million.

The Rolling Reserve Act (Act 2011-3, as amended by Act 2023-390) caps appropriations from the Education Trust Fund (ETF). The cap is the sum of recurring revenues deposited into the ETF in the last completed fiscal year preceding the calculation year adjusted up or down by: 1) the average annual percentage change in recurring revenues for the 14 highest of the 15 completed fiscal years preceding the date on which the calculation is made; 2) if legislation is enacted that will increase recurring revenues deposited into the ETF, an amount equal to 95 percent of the fiscal note attached to the legislative act is added to the cap; 3) if legislation is enacted that will decrease recurring revenues deposited into the ETF, the negative impact, based on the enacted fiscal note is subtracted from the cap; 4) any nonrecurring revenue; and 5) the amount required to be appropriated from the ETF to the Prepaid Affordable College Tuition Trust Fund. The Finance Director and the Legislative Fiscal Officer must certify their computation of the cap at the same time as the certification required by Amendment 803 to the *Constitution of Alabama of 1901* (prior to the third day of each Regular Session). Revenues in excess of the appropriation cap are required to be used to pay back transfers from the constitutional ETF Rainy Day Account until the account has been repaid in full. Any remaining funds shall be transferred to the ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund. The ETF Budget Stabilization Fund will generally be used to reduce any future proration. At the end of fiscal year 2025 the balance in the ETF Budget Stabilization Fund was $844 million.

Encumbrance Accounting

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is used as purchase orders are issued to ensure that purchase orders plus expenditures do not exceed allotment balances. At fiscal year end this control becomes stricter, as purchase orders plus any other obligations or accounts payable incurred against fiscal year appropriations may not exceed allotment balances.

Encumbrances are reported in the year the orders are placed for budgetary purposes in the Budgetary Comparison Schedule. Encumbrances are reported in the year the goods and services are received for GAAP basis financial statements.

Lapsing of Appropriations

All non-capital outlay appropriation balances not reserved by encumbrances or accounts payable lapse at September 30 of each fiscal year. Furthermore, any non-capital outlay appropriation balance not reserved by encumbrances lapses at November 30 following each fiscal year. Encumbrances remain valid for a period of one year following the end of the fiscal year. Balances of encumbrances are reported on the Budgetary Comparison Schedule as expenditures. Capital outlay appropriations for the purchase of land, the construction of buildings, or for the maintenance of roads and bridges of the state highway system continue until the completion of the project.

Budgetary Basis of Accounting and Fund Structure

The State budgets and operates primarily on the budgetary basis which approximates the cash basis with certain material exceptions. During the fiscal year, encumbrances, which represent obligations against current fiscal year appropriations, are accrued. At year end, fund balances are reserved to accrue expenditures for those outstanding encumbrances and estimated accounts payable. In compliance with Amendment 26 to the *Constitution of Alabama of 1901*, the total reservation may not exceed the cash on hand in the State Treasury. Therefore, at year end, cash always equals or exceeds obligations (encumbrances and estimated accounts payable). The Budgetary Comparison Schedule (Non-GAAP Basis) presents comparisons of the adopted budget with actual data on a budgetary basis. The budget excludes funds for all entities operating outside the State Treasury, certain distributive accounts such as those for making distributions to local governments, and most debt service accounts. Since the accounting principles used in the State's budgetary basis of accounting differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of the differences is presented on the schedule. Governmental Accounting Standards Board (GASB) Statement No. 41 requires that budgetary comparison schedules be presented as RSI based on the fund, organization, or program structure that the government uses for its legally adopted budget for a government with significant budgetary perspective differences that result in the government's not being able to present budgetary comparisons for the general fund and each major special revenue fund. The budgetary fund structure for the General Fund group and the Education Trust Fund group is essentially the same as the GAAP fund structure. The Earmarked Fund group does not correspond to a major GAAP fund and these perspective differences are included in the Budget-to-GAAP Reconciliation. The budgets of some major funds are spread throughout various agencies and programs in the Earmarked Fund group. A Detail Schedule of Budget and Actual Expenditures appears in the Governmental Funds subsection of the Combining and Individual Fund Statements and Schedules Section of the ACFR. This schedule provides detailed information at the legal level of control for each individual appropriation item contained in the budget for all budgetary fund groups.

REQUIRED SUPPLEMENTARY INFORMATION

Ten Year Loss Development Information for State Insurance Fund

For the Fiscal Year Ended September 30, 2025

The following table illustrates how the State Insurance Fund's (Fund) earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the previous ten years. The rows of the table are defined as follows: 1) This line shows the total of each fiscal year's gross earned premiums and reported investment revenue, amounts of premiums ceded, and reported premiums (net of reinsurance) and reported investment revenue. 2) This line shows each fiscal year's other operating costs including overhead and loss adjustment expenses not allocable to individual claims. 3) This line shows the Fund's gross incurred losses and allocated loss adjustment expense, losses assumed by reinsurers, and net incurred losses and loss adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called accident year). 4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years for each accident year. 5) This line shows the latest reestimated amount of losses assumed by reinsurers for each accident year. 6) This section of ten rows shows how each accident year's net incurred losses increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.) 7) This line compares the latest reestimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally estimated. As data for individual accident years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature accident years. The columns of the table show data for successive accident years.

	(Amounts in Thousands)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1	Premiums and investment revenue:										
	Earned	$ 55,381	$ 60,037	$ 53,966	$ 58,040	$ 63,901	$ 76,788	$ 63,817	$ 112,381	$160,560	$ 160,967
	Ceded	21,171	20,273	22,480	29,983	40,429	47,069	50,304	62,966	74,291	74,927
	Net Earned	(21,116)	(20,213)	(22,426)	(29,925)	(40,365)	(46,992)	(50,240)	49	86	86,040
2	Unallocated Expenses	3,494	3,270	3,693	3,668	4,057	4,872	4,388	4,852	4,562	6,644
3	Estimated losses and expenses, end of accident year:										
	Incurred	16,450	19,792	126,564	20,737	35,259	42,063	18,647	54,223	22,241	101,805
	Ceded	4,550	6,969	100,664	1,763	1,259	34,463	2,647	37,223	6,141	57,305
	Net incurred	11,900	12,823	25,900	18,974	34,000	7,600	16,000	17,000	16,100	44,500
4	Net paid (cumulative) as of:										
	End of Accident Year	6,316	5,240	14,493	5,498	10,921	1,865	3,103	3,052	2,272	24,173
	One Year Later	9,680	10,671	23,021	11,670	9,572	946	7,154	8,656	6,999	
	Two Years Later	10,362	12,490	23,081	11,620	27,990	2,308	8,861	10,627		
	Three Years Later	10,650	12,906	23,045	13,510	28,610	2	614			
	Four Years Later	10,650	12,864	23,045	13,180	31,919	7,961				
	Five Years Later	10,650	12,864	23,045	13,110	28,673					
	Six Years Later	10,650	12,930	23,045	13,110						
	Seven Years Later	10,650	12,930	23,045							
	Eight Years Later	10,650	12,930								
	Nine Years Later	10,650									
5	Reestimated ceded losses and expenses	3,148	3,214	95,782	—	40,559	24,848	11,187	28,164	4,597	57,305
6	Reestimated net incurred losses and expenses as of:										
	End of Accident Year	11,900	12,823	25,900	18,974	34,000	7,600	16,000	17,000	16,100	44,500
	One Year Later	11,800	12,733	25,300	17,700	14,234	5,664	12,100	15,800	11,900	
	Two Years Later	11,000	12,721	23,127	13,773	29,313	5,378	9,874	11,691		
	Three Years Later	10,650	12,951	23,102	13,510	28,620	120	614			
	Four Years Later	10,650	12,864	23,045	13,180	31,933	7,961				
	Five Years Later	10,650	12,864	23,045	13,110	28,709					
	Six Years Later	10,650	12,930	23,045	13,110						
	Seven Years Later	10,655	12,930	23,045							
	Eight Years Later	10,655	12,930								
	Nine Years Later	10,655									
7	Increase (decrease) in estimated net incurred losses and expenses from end of accident year	$ (1,245)	$ 108	$ (2,855)	$ (5,864)	$ (5,291)	$ 361	$ (15,386)	$ (5,309)	$ (4,200)	$ 0

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
BLACK RIVER
CAHABA R.
COOSA RIVER
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

(Amounts in Thousands)

Pension Liability Trend Data

Fiscal Year	% of Collective NPL	Proportionate Share of Collective NPL	Covered Payroll	Proportionate Share of NPL as a % of Covered Payroll	Pension Plan FNP as a % of TPL
2024	38.97 %	$ 5,068,956	$ 3,150,526	160.89	71.41 %
2023	38.51	6,145,875	3,167,746	194.01	63.57
2022	39.06	6,069,550	3,017,447	201.15	62.21
2021	40.07	3,774,340	2,916,149	129.43	76.44
2020	40.82	5,048,880	2,880,506	175.28	67.72
2019	39.87	4,407,835	2,799,485	157.45	69.85
2018	41.06	4,082,818	2,661,584	153.40	72.29
2017	40.86	4,016,090	2,606,833	154.06	71.50
2016	41.00	4,438,794	2,581,488	171.95	67.93
2015	40.73	4,262,429	2,532,066	168.34	67.51
2014	40.86	3,710,637	2,612,755	142.02	71.01

Information is presented prospectively beginning in 2014.

Information was determined and is presented based on information as of the measurement date one year prior to the ACFR fiscal year end.

Statutorily Required Employer Contributions

Fiscal Year	Contribution Amount	% Contributed	Covered Payroll	% of Covered Payroll
2025	$ 410,673	100 %	$ 3,387,275	12.12 %
2024	383,192	100	3,150,526	12.16
2023	384,789	100	3,167,746	12.15
2022	363,405	100	3,017,447	12.04
2021	350,156	100	2,916,149	12.01
2020	349,244	100	2,880,506	12.12
2019	340,231	100	2,799,485	12.15
2018	319,144	100	2,661,584	11.99
2017	307,935	100	2,606,833	11.81
2016	304,670	100	2,581,488	11.80
2015	295,148	100	2,532,066	11.66

Statute requires employers to contribute at the actuarially determined rate.

Information is presented prospectively beginning in 2015.

Changes in the actuarial assumptions significantly affect the identification of trends in the amounts reported in the Ten Year Trend Information.

Changes of benefit terms

In 2022, the plan was amended to allow Tier II members to retire with 30 years of creditable service regardless of age with an early retirement reduction of 2% for each year that the member is less than age 62 at retirement (age 56 for police officers, firefighters, and correctional officers).

The member contribution rates were increased from 5.00% (6.00% for certified law enforcement, correctional officers, and firefighters) of earnable compensation to 7.25% (8.25%) of earnable compensation effective October 1, 2011, and to 7.50% (8.50%) of earnable compensation effective October 1, 2012. Members hired on or after January 1, 2013 (Tier II), are covered under a new benefit structure, as follows: 1) A service retirement allowance is payable upon the request of any member who has attained age 62 and completed at least 10 years of creditable service (age 56 with 10 years of creditable service for a full-time certified firefighter, police officer or correctional officer). 2) Upon service or disability retirement a member receives a retirement allowance equal to 1.65% of the member's average final compensation multiplied by the number of years of creditable service. The benefit is capped at 80% of the member’s average final compensation (the 5 highest years in the last 10 years of Creditable Service). 3) Regular members contribute 6% of salary and full-time certified firefighters, police officers and correctional officers contribute 7% of salary.

Changes of assumptions

In 2021, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2021, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience, including a change in the discount rate from 7.70% to 7.45%. In 2021 and later the expectation of retired life mortality was changes to the Pub-2010 Teacher Retiree Below Median Tables projected generationally with 66-2/3% of the MP-2020 scale beginning in 2019.

In 2016, rates of retirement, disability, withdrawal and mortality were adjusted to more closely reflect actual experience. In 2016, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. In 2016 the expectation of retired life mortality as changed to the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for all ages for males and 112% for ages 78 and over for females. The rates of disabled mortality were based on the RP-2000 Disabled Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% for females.

In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Judicial Retirement Fund
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

Pension Liability Trend Data

Fiscal Year	% of Collective NPL (1)	% Share of NPL Due to State Operations	NPL	Covered Payroll	NPL as a % of Covered Payroll	Pension Plan FNP as a % of TPL
2024	100 %	87.78 %	$ 187,950	$ 57,274	328.16 %	66.74 %
2023	100	87.27	228,341	54,182	421.43	58.60
2022	100	87.44	207,256	51,958	398.89	58.94
2021	100	86.35	138,553	47,495	291.72	72.50
2020	100	85.49	162,647	47,442	342.83	66.20
2019	100	85.64	150,909	43,502	346.90	67.44
2018	100	84.93	144,724	42,684	339.06	68.68
2017	100	84.86	154,349	42,743	361.11	66.22
2016	100	84.89	168,961	42,601	396.61	62.54
2015	100	84.98	160,330	41,617	385.25	62.20
2014	100	85.04	145,093	42,699	339.80	65.46

(1) The State is responsible for funding the entire NPL.

Information is presented prospectively beginning in 2014.

Information was determined and is presented based on information as of the measurement date one year prior to the ACFR fiscal year end.

Statutorily Required Employer Contributions

Fiscal Year	Contribution Amount	% Contributed	Covered Payroll	% of Covered Payroll
2024	$25,046	100%	$59,827	41.86%
2024	22,734	100	58,374	38.95
2023	21,400	100	51,182	39.50
2022	20,617	100	51,958	39.68
2021	18,238	100	47,495	38.40
2020	18,099	100	47,442	38.15
2019	18,010	100	43,502	41.40
2018	17,112	100	42,684	40.09
2017	17,375	100	42,743	40.65
2016	17,458	100	42,601	40.98
2015	14,666	100	41,617	35.24

Statute requires employers to contribute at the actuarially determined rate.

Information is presented prospectively beginning in 2015.

The State is responsible for 100% of employer contributions.
Information is presented prospectively beginning in 2015.

Changes in the actuarial assumptions significantly affect the identification of trends in the amounts reported in the Ten Year Trend Information.

Changes of benefit terms

The member contribution rate was increased from 6.00% of salary to 8.25% of salary on October 1, 2011, and to 8.50% of salary on October 1, 2012. All justices and judges elected or appointed on or after November 8, 2016 are covered under a new benefit structure. In addition, circuit clerks and district attorneys elected or appointed on or after that date will also become members of the Fund and will be covered under the new structure.

Changes of assumptions

In 2021, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2021, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience, including a change in the discount rate from 7.65% to 7.40%. In 2021 and later the expectation of retired life mortality was changes to the Pub-2010 Teacher Retiree Below Median Tables projected generationally with 66-2/3% of the MP-2020 scale beginning in 2019.

In 2016, rates of retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2016, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. In 2016 the expectation of retired life mortality was changed to the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for males and 112% for females older than 78.

In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Employees' Retirement System
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

Schedule of Changes in Net Pension Liability

Total Pension Liability	**2024**	**2023**	**2022**	**2021**	**2020**
Service Costs	$151,954	$148,437	$141,518	$127,899	$123,117
Interest	697,155	669,336	661,584	645,951	625,574
Benefit Change	22,922	—	12,366	—	—
Change in Assumptions	—	—	—	307,579	—
Difference in Expected and Actual Experience	120,573	230,634	(32,362)	83,318	142,389
Change in proportion and differences between contributions and proportionate share of contributions	341	833	590	477	358
Benefit payments, including refunds of employee contributions	(682,985)	(672,999)	(680,412)	(649,736)	(629,323)
Transfers among employers	8,168	2,599	(2,210)	114	3,748
Net change in total pension liability	318,128	378,840	101,074	515,602	265,863
Total pension liability - beginning	9,700,954	9,322,114	9,221,040	8,705,438	8,439,575
Total pension liability - ending (a)	**$10,019,082**	**$9,700,954**	**$9,322,114**	**$9,221,040**	**$8,705,438**
Plan Fiduciary Net Position					
Contributions - employer	314,601	$266,837	$250,835	$246,307	$252,487
Contributions - employee	129,149	119,868	113,154	112,518	114,163
Net investment income	1,111,753	636,479	(765,534)	1,146,795	294,521
Benefit payments, including refunds of employee contributions*	(682,985)	(672,999)	(680,412)	(649,736)	(629,323)
Administrative expenses	(18,312)	(16,742)	(14,782)	(14,424)	(16,438)
Transfers among employers	8,240	2,599	(2,210)	114	3,748
Net change in fiduciary plan net position	862,446	336,060	(1,098,949)	841,574	19,158
Plan fiduciary net position - beginning	5,389,857	5,053,797	6,152,746	5,311,172	5,292,014
Plan fiduciary net position - ending (b)	**6,252,303**	**5,389,857**	**5,053,797**	**6,152,746**	**5,311,172**
Net pension liability - ending (a) - (b)	**$3,766.779**	**$4,311,097**	**$4,268,317**	**$3,068,294**	**$3,394,266**
Plan fiduciary net position as a percentage of the total pension liability	62.40%	55.56%	54.21%	66.73%	61.01%
Covered payroll - measurement period	$1,714,933	$1,569,985	$1,514,802	$1,499,773	$1,495,250
Net pension liability as a % of covered payroll	219.65%	274.59%	281.77%	204.58%	227.00%

Note that information was determined and presented as of the measurement date (one year prior to the ACFR fiscal year-end) and is presented prospectively beginning in 2014.

Actuarially Determined Employer Contributions

	2025	**2024**	**2023**	**2022**	**2021**
Amount	$287,710	$272,794	$230,507	$240,698	$236,150
% Contributed	100%	100%	100%	100%	100%
Covered Payroll	$1,780,601	$1,714,933	$1,569,685	$1,514,802	$1,499,773
% of covered payroll	16.16%	15.91%	14.68%	15.89%	15.75%

Information presented prospectively beginning in 2015.

Note that employers are required by law to contribute at the actuarially determined rate

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Employees' Retirement System
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

2019	2018	2017	2016	2015	2014
$118,582	$116,133	$115,249	$119,589	$159,234	$115,716
616,614	609,961	602,304	588,965	587,703	579,810
—	—	—	—	—	—
—	38,231	—	203,894	—	—
487	(17,240)	(57,055)	11,012	(62,937)	—
(380)	(443)	—	—	—	—
(611,120)	(610,485)	(588,299)	(596,794)	(597,910)	(567,669)
1,958	2,525	1,529	(871)	19,137	—
126,141	138,682	73,728	325,795	105,227	127,857
8,313,434	8,174,752	8,101,024	7,775,229	7,670,002	7,542,145
$8,439,575	**$8,313,434**	**$8,174,752**	**$8,101,024**	**$7,775,229**	**$7,670,002**
$227,694	196,080	205,429	206,854	260,832	161,114
107,817	101,103	99,278	103,187	100,676	100,391
136,116	474,828	615,292	467,280	58,073	556,028
(611,120)	(610,485)	(588,299)	(596,794)	(597,910)	(567,669)
(15,734)	(13,683)	(14,347)	(12,748)	(13,068)	—
1,958	2,525	726	(871)	6,241	24
(153,269)	150,368	318,079	166,908	(185,156)	249,888
5,445,283	5,294,915	4,976,836	4,809,928	4,995,084	4,745,196
5,292,014	**5,445,283**	**5,294,915**	**4,976,836**	**4,809,928**	**4,995,084**
$3,147,561	**$2,868,151**	**$2,879,837**	**$3,124,188**	**$2,965,301**	**$2,674,918**
62.70%	65.50%	64.77%	61.43%	61.86%	65.12%
$1,406,070	$1,324,433	$1,262,409	$1,295,085	$1,331,883	$1,280,583
223.86%	216.56%	228.12%	241.23%	222.64%	208.88%

2020	2019	2018	2017	2016	2015
$242,127	$217,585	$195,284	$191,906	$199,636	$185,110
100%	100%	100%	100%	100%	100%
$1,495,250	$1,406,070	$1,324,433	$1,262,409	$1,295,085	$1,331,883
16.19%	15.47%	14.74%	15.20%	15.41%	13.90%

Valuation Date: September 30, 2023

Actuarially determined contribution rates are calculated as of September 30, two years prior to the beginning of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	24.9 years
Asset valuation method	Five year smoothed fair value
Inflation	2.50%
Salary increases	3.25-6.00%, including inflation
Investment rate of return	7.45%, net of pension plan investment expense, including inflation.

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Alabama Retired State Employees' Health Care Trust
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

Schedule of Changes in Net OPEB Liability

Total OPEB Liability	2024	2023	2022	2021	2020
Service Costs	$25,750	$23,285	$23,188	$20,247	$56,113
Interest	82,734	83,792	77,039	86,901	68,062
Change in Assumptions	487,749	98,662	23,789	(1,238)	(714,118)
Benefit Change	—	—	14,269	—	—
Difference in Expected and Actual Experience	529,537	(166,825)	7,056	(146,575)	(70,982)
Change in proportion and differences between employer contributions and proportionate share of contributions	139	(139)	(131)	(4)	103
Benefit payments, including refunds of employee contributions	(54,815)	(51,857)	(53,688)	(57,147)	(53,862)
Net change in total OPEB liability	1,071,094	(13,082)	91,522	(97,816)	(714,684)
Total OPEB liability - beginning	1,168,008	1,181,090	1,089,568	1,187,384	1,902,068
Total OPEB liability - ending (a)	**$2,239,102**	**$1,168,008**	**$1,181,090**	**$1,089,568**	**$1,187,384**
Plan Fiduciary Net Position					
Contributions - employer	$56,013	$53,120	$54,961	$58,424	$53,951
Net investment income	60,398	30,271	(37,177)	40,080	14,729
Benefit payments, including refunds of employee contributions*	(54,815)	(51,857)	(53,688)	(57,147)	(53,862)
Administrative expenses	(55)	(74)	(84)	(88)	(87)
Net change in fiduciary plan net position	61,541	31,460	(35,988)	41,269	14,731
Plan fiduciary net position - beginning	240,616	209,156	245,144	203,875	189,144
Plan fiduciary net position - ending (b)	**$302,157**	**$240,616**	**$209,156**	**$245,144**	**$203,875**
Net OPEB liability - ending (a) - (b)	**$1,936.945**	**$927,392**	**$971,934**	**$844,424**	**$983,509**
Plan fiduciary net position as a percentage of the total OPEB liability	13.49%	20.60%	17.71%	22.50%	17.17%
Covered payroll - measurement period	$1,916,249	$1,750,464	$1,686,846	$1,665,839	$1,659,882
Net OPEB liability as a % of covered payroll	101.08%	52.98%	57.62%	50.69%	59.25%

*Benefit payments are net of member contributions

Note that information was determined and presented as of the measurement date (one year prior to the ACFR fiscal year-end)

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Alabama Retired State Employees' Health Care Trust
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

2019	2018	2017
$ 48,549	$ 92,000	$ 112,694
128,498	117,401	103,761
155,046	(316,067)	(370,644)
—	—	—
(1,416,277)	(53,041)	—
(496)	(822)	—
(73,986)	(79,799)	(91,641)
(1,158,666)	(240,328)	(245,830)
3,060,734	3,301,062	3,546,892
$ 1,902,068	**$ 3,060,734**	**$ 3,301,062**
$ 74,067	$ 79,871	$ 92,063
6,614	15,755	17,749
(73,986)	(79,799)	(91,641)
(89)	(72)	(414)
6,606	15,755	17,757
182,538	166,783	149,026
$ 189,144	**$ 182,538**	**$ 166,783**
$ 1,712,924	**$ 2,878,196**	**$ 3,134,279**
9.94%	5.96%	5.05%
$1,558,377	$1,470,777	$1,409,257
109.92%	195.69%	222.41%

(Amounts in Thousands)

Actuarially Required Employer Contributions
(Amounts in Thousands)

Fiscal Year	Actuarially Determined Contribution	Contribution Amount	Contribution Deficiency	Covered Payroll	Contributions as % of Covered Payroll
2025	$ 74,541	$ 40,597	$ 33,944	$ 2,005,261	2.02 %
2024	76,590	55,909	20,681	1,916,216	2.92
2023	74,902	51,519	23,383	1,750,464	2.94
2022	67,963	53,379	14,584	1,686,046	3.17
2021	107,959	56,935	51,024	1,665,839	3.42
2020	107,984	53,827	54,157	1,659,882	3.24
2019	168,464	73,292	95,172	1,558,377	4.70
2018	163,178	79,611	83,567	1,470,777	5.41

Information presented prospectively beginning in 2018.

Changes in the actuarial assumptions significantly affect the identification of trends in the amounts reported in the Ten Year Trend Information.

Changes in actuarial assumptions:
In 2022, rates of participation were adjusted to reflect actual and anticipated experience more closely.

In 2021, rates of withdrawal, retirement, disability, ad mortality were adjusted to reflect actual experience more closely. In 2021, economic assumptions and the assumed rates of salary increase were adjusted to reflect actual and anticipated experience more closely.

In 2019, the anticipated rates of participation, spouse coverage, and tobacco use were adjusted to more closely reflect actual experience.

Recent Plan Changes:
Beginning in plan year 2022, the valuation reflects the provisions of the following legislative Acts:

- Act 2022-222 which allows TRS Tier II members to retire with 30 years of creditable service regardless of age with an early pension benefit retirement reduction of 2% for each year that the member is less than age 62 at retirement (age56 for FLC).
- Act 2022-351 which allows ERS State and Police Tier II members to retire with 30 years of creditable service regardless of age with an early pension benefit retirement reduction of 2% for each year that the member is less than age 62 at retirement (age56 for FLC).

Beginning in plan year 2021, the MAPD plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019.

Effective January 1, 2020, the MAPD plan moved from self-insured to fully-insured.

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through a MAPD plan.

Method and assumptions used in calculations of actuarially determined contributions:

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percent of Pay, open
Remaining Amortization Period:	30 Years
Asset Valuation Method:	Fair Value of Assets
Inflation:	2.75%
Healthcare Cost Trend Rate:	
Pre-Medicare Eligible	6.50%
Medicare Eligible	**
Ultimate Trend Rate	
Pre-Medicare Eligible	4.75% in 2027
Medicare Eligible	4.75% in 2024
Dental Trend Rate	4.50%
Investment Rate of Return:	7.50%, including inflation

** Initial Medicare claims are set based on scheduled increases through plan year 2022.

(Amounts in Thousands)

OPEB Liability

Fiscal Year	Proportionate Share of Collective NOL* (%)	Proportionate Share of Collective NOL ($)	Covered Payroll	Collective Share of NOL as a % of Covered Payroll	OPEB Plan's FNP* as a % of TOL*
2024	37.30 %	$ 3,426,362	$ 3,007,517	113.93 %	20.41 %
2023	35.53	682,990	2,898,161	23.57	49.42
2022	28.39	494,738	2,822,364	17.53	48.39
2021	34.44	1,779,566	2,801,578	63.52	27.11
2020	34.41	2,232,870	2,762,641	80.82	19.80
2019	25.95	979,075	2,690,709	36.39	28.14
2018	28.52	2,344,045	2,557,924	91.64	14.81
2017	30.24	2,245,990	2,502,728	89.74	15.37

*Net OPEB Liability (NOL), Fiduciary Net Position (FNP), Total OPEB Liability (TOL)

Information is presented prospectively beginning in 2017.

Information was determined and is presented as of the measurement date one year prior to the ACFR fiscal year-end.

Statutorily Required Employer Contributions

Fiscal Year	Statutorily Required Contribution	Contributions Recognized (%)	Covered Payroll	Contributions as % of Covered Payroll
2025	$67,770	100%	$3,222,442	2.10%
2024	52,951	100	3,007,571	1.76
2023	53,004	100	2,898,161	1.83
2022	53,063	100	2,822,364	1.88
2021	58,070	100	2,801,578	2.07
2020	68,818	100	2,762,641	2.49
2019	74,115	100	2,690,709	2.75
2018	74,182	100	2,557,924	2.90

Information is presented prospectively beginning in 2018.

Changes in actuarial assumptions and experience
Changes in actuarial assumptions and experience resulted in a significant decrease in the Total OPEB Liability (TOL). Please see Note 11C for a detailed breakdown of those changes.

Recent Plan Changes:
Beginning in plan year 2021, the MAPD plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019.

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through the MAPD.

The Health Plan is changed each year to reflect the ACA maximum annual out-of-pocket amounts.

Modified Approach

As allowed by GASB Statement Number 34, the State has adopted the modified approach for reporting roadway and bridge infrastructure assets. Under the modified approach, depreciation is not recorded. Infrastructure costs that result in an increase in the capacity or an improvement in the efficiency of the infrastructure network are capitalized and added to the historical cost of the assets. Costs that allow the infrastructure network to be used efficiently over the expected useful life of the assets are expensed as general maintenance costs. Certain maintenance costs that extend the useful life of the assets but do not increase capacity or efficiency are classified as preservation costs. Preservation costs are expensed and reported in lieu of a charge for depreciation expense. Assets accounted for under the modified approach in fiscal year 2025 include approximately 10,882 miles of state maintained highways and 5,429 of state maintained bridges and culverts.

In order to utilize the modified approach, Alabama is required to:

- Maintain an asset management system that includes an inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate annually the amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at or above the established condition level.

Roads

Measurement Scale

The Alabama Department of Transportation uses the International Roughness Index (IRI) to measure and monitor pavement conditions. The IRI is a standard representing the perceived smoothness of pavements while traveling in passenger cars. The smoothness is measured by the cumulative height the wheel of a vehicle travels vertically over a mile long section of roadway. For example, if the wheel of a vehicle travels vertically 1.0 inches every 0.01 miles, the IRI for that 1 mile section of roadway would be the sum of 100 measurements (0.01 X 100 = 1 mile) of 1.0 inches each or 100 inches/mile. A lower IRI measurement represents a smoother condition of pavement.

Data is collected by route samples and complete route assessments when available. If data is collected in route samples, the samples are weighted by route length to give system averages. If data is collected for the complete route, the frequency of collection is every 0.01 mile and no weighting is used in the computation of system averages.

The United States Department of Transportation developed suggested values for IRI of <60 inches/mile to >220 inches/mile to grade the smoothness condition of the roadway. The Alabama Department of Transportation utilizes this scale of suggested values in its roadway condition assessments. The IRI scale is as follows:

IRI Rating	Condition	Description
> 170 Interstates > 220 Other Routes	Poor	Significant Maintenance Required (Resurfacing or Reconstruction)
120-170 Interstates 171-220 Other Routes	Mediocre	Moderate Maintenance Required (Resurfacing or Reconstruction)
95-119 Interstates 95-170 Other Routes	Fair	Routine Maintenance Required (Pavement Patching)
60-94 All Routes	Good	Negligible Maintenance Required
< 60 All Routes	Very Good	No Maintenance Required

Established Condition Level
The weighted average rating of all State maintained roadways shall be "Fair" or better.

Assessed Conditions
The following table represents the most recent condition assessment for roadways classified by Non-Interstate Non-National Highway System Routes, Non-Interstate National Highway System Routes, and Interstate Routes:

	As of September 30,					
	2025		2024		2023	
Category	**Miles**	**Rating**	**Miles**	**Rating**	**Miles**	**Rating**
Non-Interstate Non-National Highway System	6,673	78.68	6,692	78.42	6,692	77.55
Non-Interstate National Highway System	3,207	68.69	3,182	67.51	3,176	67.13
Interstate System	1,002	50.19	1,002	50.74	1,002	51.78
Total and Weighted Average Rating	**10,882**	**73.16**	**10,876**	**72.73**	**10,870**	**72.13**

Bridges
Measurement Scale
ALDOT uses a weighted rating of the major structure components and the deck area of a bridge or culvert. The GASB 34 Bridge Rating is a zero to ten score assigned to each component-rating category and then averaged for each bridge asset classification using an algorithm developed by the ALDOT Maintenance Bureau. The algorithm uses the assessed weighted ratings, each bridge deck area, and the sum of all deck areas. The ten point scale is as follows:

Rating	Condition	Description
1 - 4.99	Marginal	Structural elements have been seriously affected by deterioration.
5 - 6.99	Satisfactory	Structural elements are sound but have minor deterioration.
7 or Greater	Good	Structural elements show negligible signs of deterioration.

Established Condition Level
The weighted average rating of all State maintained bridges and culverts shall be "Satisfactory" or better.

Assessed Conditions
The following table represents the most recent condition assessment for bridges and culverts classified by Non-Interstate Non-National Highway System Routes, Non-Interstate National Highway System Routes, and Interstate Routes:

	As of September 30,					
	2025		2024		2023	
Category	**Structures**	**Rating**	**Structures**	**Rating**	**Structures**	**Rating**
Non-Interstate Non-National Highway System	2,339	6.41	2,330	6.44	2,329	6.48
Non-Interstate National Highway System	1,847	6.36	1,852	6.40	1,840	6.45
Interstate System	1,243	5.98	1,245	6.01	1,241	6.04
Total and Weighted Average Rating	**5,429**	**6.29**	**5,427**	**6.33**	**5,410**	**6.37**

Estimated and Actual Costs

Below is a 5 year table showing the costs the State estimated would be needed to preserve all roadway and bridge assets at or above the "Established Condition Levels" compared to the actual costs incurred.

Fiscal	Roadway		Bridges	
Year	Estimated	Actual	Estimated	Actual
2025	$428,907,000	$386,822,000	$175,655,000	$210,711,000
2024	594,600,000	406,474,000	10,000,000	208,237,000
2023	582,700,000	450,602,000	10,000,000	135,876,000
2022	423,900,000	477,738,000	10,000,000	182,853,000
2021	426,200,000	450,822,000	10,000,000	193,627,000

In the next fiscal year, the Alabama Department of Transportation estimates that it will need to spend approximately $440,907,218 to preserve all roadway assets and approximately $181,941,446 to preserve all bridge assets at or above the “Established Condition Levels” presented above. Condition levels are expected to continue to meet or exceed the “Established Condition Levels”.

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

COMBINING BALANCE SHEET

Nonmajor Governmental Funds by Fund Type

September 30, 2025

(Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 6,660,689	$ 41,374	$ 412,874	$ 807	$ 7,115,744
Investments	1,417,325	316,492	160,363	131,755	2,025,935
Due From Other Funds	192,883	74,006	5,119	—	272,008
Due From Component Units	2,514	—	49,311	—	51,825
Investment Sales Receivable	1,028	—	—	—	1,028
Accounts Receivable	114,144	8,597	—	421	123,162
Taxes Receivable	540,367	800	—	—	541,167
Due From Other Governments	494,118	—	—	—	494,118
Mortgages, Notes, and Loans Receivable	—	—	—	68	68
Securities Lending Collateral	193	—	—	7,156	7,349
Inventory	49,100	—	—	—	49,100
Restricted Assets	4,836	—	—	—	4,836
Other Assets	277	—	—	—	277
TOTAL ASSETS	**9,477,474**	**441,269**	**627,667**	**140,207**	**10,686,617**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	17,338	—	53	1	17,392
Investment Purchases Payable	2,579	—	—	—	2,579
Due To Other Funds	88,216	—	84,627	247	173,090
Due To Component Units	10	—	—	—	10
Accounts Payable	761,381	—	6,672	3	768,056
Due To Other Governments	303,546	—	—	—	303,546
Securities Lending Obligation	193	—	—	7,156	7,349
Amounts Held Pending Distribution	—	—	—	—	—
Unearned Revenue	8,724	—	50,568	—	59,292
Amounts Held in Custody for Others	376,087	—	—	—	376,087
Compensated Absences	594	—	—	—	594
TOTAL LIABILITIES	**1,558,668**	**—**	**141,920**	**7,407**	**1,707,995**
Deferred Inflows of Resources	**412,930**	**—**	**3,000**	**—**	**415,930**
Fund Balances					
Nonspendable:					
Inventory	49,100	—	—	—	49,100
Permanent Fund Principal	—	—	—	99,843	99,843
Restricted for:					
Economic Development and Regulation	171,902	—	—	—	171,902
Education and Cultural Resources	3,134,866	—	—	2,872	3,137,738
Natural Resources and Recreation	304,072	—	—	—	304,072
Health	597,981	—	—	1,432	599,413
Social Services	393,809	—	—	28,653	422,462
Protection of Persons and Property	506,812	—	—	—	506,812
Transportation	875,840	—	—	—	875,840
General Government	1,312,871	—	—	—	1,312,871
Capital Projects	—	—	482,747	—	482,747
Debt Service	—	441,269	—	—	441,269
Assigned for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	7,035	—	—	—	7,035
Social Services	—	—	—	—	—
Protection of Persons and Property	24,888	—	—	—	24,888
General Government	126,700	—	—	—	126,700
Unassigned	—	—	—	—	—
Total Fund Balances	**7,505,876**	**441,269**	**482,747**	**132,800**	**8,562,692**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 9,477,474**	**$ 441,269**	**$ 627,667**	**$ 140,207**	**$ 10,686,617**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Governmental Funds by Fund Type

For the Fiscal Year Ended For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Funds	Totals
REVENUES					
Taxes	$ 2,465,993	$ 6,795	$ 0	$ 0	$ 2,472,788
Licenses, Permits, and Fees	1,275,229	—	—	1,775	1,277,004
Fines, Forfeits, and Court Settlements	209,959	—	—	—	209,959
Investment Income	107,851	16,244	28,758	3,233	156,086
Federal Grants and Reimbursements	4,581,949	12,595	—	—	4,594,544
Other Revenues	570,894	25,140	5,957	15	602,006
Total Revenues	**9,211,875**	**60,774**	**34,715**	**5,023**	**9,312,387**
EXPENDITURES					
Current:					
Economic Development and Regulation	161,323	—	2,287	—	163,610
Education and Cultural Resources	3,424,065	—	1,086	8	3,425,159
Natural Resources and Recreation	275,844	—	—	—	275,844
Health	2,901,376	—	—	—	2,901,376
Social Services	660,896	—	—	189	661,085
Protection of Persons and Property	834,064	—	—	—	834,064
Transportation	2,190,206	—	—	—	2,190,206
General Government	1,984,578	—	—	9	1,984,587
Capital Outlay	12,858	—	459,748	—	472,606
Debt Service - Principal Retirement	53,784	655,122	—	—	708,906
Debt Service - Interest and Other Charges	9,933	185,120	85	—	195,138
Total Expenditures	**12,508,927**	**840,242**	**463,206**	**206**	**13,812,581**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(3,297,052)**	**(779,468)**	**(428,491)**	**4,817**	**(4,500,194)**
OTHER FINANCING SOURCES (USES)					
Transfers In	4,763,676	466,179	153,697	3,006	5,386,558
Bonds Issued	—	843	249,157	—	250,000
Refunding Bonds Issued	—	340,590	—	—	340,590
Debt Issuance Premiums	—	35,885	24,731	—	60,616
Insurance Recovery Proceeds	23,935	—	—	—	23,935
Transfers Out	(1,601,141)	(6,184)	(90,883)	(2,213)	(1,700,421)
Leases	170,187	—	—	—	170,187
Payments to Refunded Bond Escrow Agent	—	(51,382)	—	—	(51,382)
Total Other Financing Sources (Uses)	**3,356,657**	**785,931**	**336,702**	**793**	**4,480,083**
Net Change in Fund Balances	**59,605**	**6,463**	**(91,789)**	**5,610**	**(20,111)**
Beginning Balance, October 1, 2024	7,447,302	434,806	574,536	127,190	8,583,834
Restatements	—	—	—	—	—
Fund Balances, October 1, 2024, as Restated	7,447,302	434,806	574,536	127,190	8,583,834
Increase (Decrease) in Inventory	(1,031)	—	—	—	(1,031)
Fund Balances, September 30, 2025	**$ 7,505,876**	**$ 441,269**	**$ 482,747**	**$ 132,800**	**$ 8,562,692**

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
TOMBIGBEE
ALABAMA RIVER
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Nonmajor Special Revenue Funds

Nonmajor Special Revenue Funds account for specific revenue sources that are legally restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Public Health
Accounts for resources used for the primary operations of the Department of Public Health, which promotes the general physical health, enforces laws relating to public health and operates programs providing preventive and treatment services to the public.

Economic and Community Affairs
The Department of Economic and Community Affairs oversees federal and State programs related to energy management, skills enhancement and employment opportunities, traffic control and accident prevention, and state and regional planning.

Revenues Allocated to Other Governments
Accounts for revenues from taxes and other revenue sources which are shared with local governments and component units.

Other Medicaid
Accounts for activity associated with the Medicaid program that is not reported in the Major Governmental Funds under either the General Fund or the Medicaid Fund.

Public Road and Bridge Fund
General operating fund for the Department of Transportation and receives all state revenues for that Department, all federal aid reimbursements, and all miscellaneous receipts.

Mental Health
Accounts for resources used by the Department of Mental Health to care for citizens who suffer from mental illness.

ETF Budget Stabilization
Responsible for preventing proration in the Education Trust Fund

ETF Advancement and Technology Fund
Assists in paying nonrecurring expenses: repairs or deferred maintenance of facilities for public education purposes in the state, for classroom instructional support.

Public School Fund
Accounts for revenues and expenditures which are allocated to local boards of education for support of educational programs.

Alabama Public School and College Authority
Accounts for resources used by the Authority, primarily to make grants to local public school systems for capital expenditures.

Labor
Administers the employment security, workers compensation, and industrial safety and accident prevention programs.

Conservation
Is responsible for the management of the State's game and wildlife resources as well as operation of the State parks system.

Twenty-first Century Authority
Accounts for resources used by the Authority for the purpose of making incentive grants to major industries locating or expanding within the State.

Veteran's Affairs
Accounts used by the Alabama Department of Veteran's Affairs in the assistance of Veterans and their dependents.

Corrections
Accounts for resources used by the Department of Corrections in their effort to provide safe and secure confinement, rehabilitation, and successful re-entry of offenders.

Environmental Management
Accounts for resources used by the Department of Environmental Management in the enforcement of environmental policy

Professional and Occupational Boards
Accounts for resources used by Alabama Professional and Occupational Boards in the regulation of professional licensing standards

Emergency Management
Accounts for resources used by Alabama Emergency Management Agency in the production of emergency preparedness programs.

Rehabilitation Services
Accounts for resources used by Alabama Department of Rehabilitation Services in the assistance and support of people with disabilities in Alabama

Children First Trust
The Children First Trust Fund uses funds from the tobacco Master Settlement Agreement to address unmet needs of children in the State of Alabama

Forever Wild
Ensures that every citizen has access to public lands, and that waters, wildlife and natural surroundings are conserved

Fair Trial Tax Fund
Provides funding for the criminal defense of people who cant afford a lawyer.

Alabama Capital Improvement Trust
Funds capital outlay projects that maintain, improve, or build permanent structures for the Alabama state government. Along with the maintenance of the highway system and the payment of debt service for bonds.

County and Municipal Capital Improvement
Funds used in the creation and upkeep of state dock and management of general obligation bonds.

Revenue Administrative Fund
Accounts for resources used by the Department of Revenue in the administration of revenue laws

Rebuild Alabama Fund
Finances infrastructure upkeep and improvement.

Unclaimed Property Reserve Fund
Is responsible for returning unclaimed property given to the state by financial institutions to their owners.

Commerce
Accounts used by the Alabama Department of Commerce to spur economic growth in Alabama

Law Enforcement
Accounts used by the Alabama Law Enforcement Agency for law enforcement activities

General Fund Budget Reserve Fund
Responsible for preventing proration in the General Fund

Administrative Office Of Courts
Accounts used by the Administrative office of courts to maintain the courts in Alabama.

Coronavirus Relief Fund
Created in response to the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide financial assistance for expenditures related to the effects of COVID-19.

ARPA Coronavirus Local Fiscal Recovery Fund
Accounts for American Rescue Plan Act (ARPA) grants distributed to local government

Education Department
Accounts primarily for Federal programs administered by the State Department of Education.

Educational Opportunities Reserve Fund
Created for excess Education Trust Fund Revenue to be appropriated through an independent supplemental appropriation bill.

Miscellaneous Special Revenue Funds
Are aggregated for reporting purposes and account for various other resources which must be used for specific purposes.

COMBINING BALANCE SHEET

Nonmajor Special Revenue Funds

September 30, 2025

(Amounts in Thousands)

	Public Health Department	Economic and Community Affairs	Revenues Allocated to Other Governments	Other Medicaid Funds	Public Road and Bridge Fund
ASSETS					
Cash and Cash Equivalents	$ 172,170	$ 31,636	$ 63,135	$ 115,701	$ 474,249
Investments	—	65,020	—	—	6,189
Due From Other Funds	47,031	5,112	995	—	1,594
Due From Component Units	1,095	—	—	—	—
Investment Sales Receivable	—	—	—	—	—
Accounts Receivable	267	201	—	—	7,856
Taxes Receivable	139	—	34,339	10,624	31,576
Due From Other Governments	17,285	26,321	—	—	271,581
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	—	47,901
Restricted Assets	—	1,592	—	—	—
Other Assets	—	—	—	—	—
TOTAL ASSETS	**237,987**	**129,882**	**98,469**	**126,325**	**840,946**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	234	383	1,393	—	2,930
Investment Purchases Payable	—	—	—	—	—
Due To Other Funds	26,807	2,512	1,604	—	8,145
Due To Component Units	—	2	—	—	1
Accounts Payable	67,551	18,336	23	—	244,285
Due To Other Governments	2,559	12,267	69,469	—	251
Claims Payable	—	—	—	—	—
Securities Lending Obligation	—	—	—	—	—
Amounts Held Pending Distribution	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Amounts Held in Custody for Others	—	—	—	—	4,923
Compensated Absences	83	38	—	—	121
TOTAL LIABILITIES	**97,234**	**33,538**	**72,489**	**—**	**260,656**
Deferred Inflows of Resources	**—**	**7,787**	**—**	**—**	**1,234**
Fund Balances					
Nonspendable:					
Inventory	—	—	—	—	47,901
Restricted for:					
Economic Development and Regulation	—	—	20	—	—
Education and Cultural Resources	—	—	—	—	—
Natural Resources and Recreation	—	—	—	—	—
Health	140,753	—	—	126,325	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
Transportation	—	—	762	—	531,155
General Government	—	88,557	25,198	—	—
Assigned for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
General Government	—	—	—	—	—
Unassigned	—	—	—	—	—
Total Fund Balances	**140,753**	**88,557**	**25,980**	**126,325**	**579,056**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 237,987**	**$ 129,882**	**$ 98,469**	**$ 126,325**	**$ 840,946**

Mental Health	ETF Budget Stabilization	ETF Advancement and Technology Fund	Public School Fund	Public School and College Authority	Labor Department	Conservation and Natural Resources	Twenty-first Century Authority
$ 275,679	$ 497,264	$ 374,190	$ 297,701	$ 148,266	$ 62,014	$ 243,504	$ 21
—	346,421	—	—	—	44,408	320	26,668
88,993	—	—	—	1	1,347	2,917	—
—	—	—	—	—	—	9	—
—	—	—	—	—	—	—	—
—	—	—	—	—	1	1,145	68,822
176,566	—	—	253,958	—	—	2,431	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
38	—	—	—	—	—	1,021	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
541,276	**843,685**	**374,190**	**551,659**	**148,267**	**107,770**	**251,347**	**95,511**
1,166	—	—	—	—	15	131	—
—	—	—	—	—	—	—	—
22,898	—	—	—	1	1,622	3,044	—
1	—	—	—	—	—	—	—
133,923	—	—	—	17,682	5,424	18,224	—
9,004	—	—	—	—	34	1,041	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	5,286	727	—
48	—	—	—	—	29	62	—
167,040	**—**	**—**	**—**	**17,683**	**12,410**	**23,229**	**—**
127,634	**—**	**—**	**207,002**	**—**	**—**	**—**	**68,822**
38	—	—	—	—	—	1,021	—
—	—	—	—	—	—	—	26,689
—	843,685	374,190	344,657	130,584	—	—	—
—	—	—	—	—	—	227,097	—
246,564	—	—	—	—	—	—	—
—	—	—	—	—	26,691	—	—
—	—	—	—	—	68,669	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
246,602	**843,685**	**374,190**	**344,657**	**130,584**	**95,360**	**228,118**	**26,689**
$ 541,276	**$ 843,685**	**$ 374,190**	**$ 551,659**	**$ 148,267**	**$ 107,770**	**$ 251,347**	**$ 95,511**

Continued on next page...

COMBINING BALANCE SHEET

Nonmajor Special Revenue Funds *Continued from previous page*

September 30, 2025

(Amounts in Thousands)

	Veteran Affairs	Corrections	Environmental Management	Professional and Occupational Boards	Emergency Management
ASSETS					
Cash and Cash Equivalents	$ 281,446	$ 14,864	$ 43,695	$ 76,106	$ 3,427
Investments	—	—	45,588	28,088	—
Due From Other Funds	—	2,054	830	33	231
Due From Component Units	—	—	1,402	—	—
Investment Sales Receivable	—	—	—	—	—
Accounts Receivable	48	83	1	116	12
Taxes Receivable	—	—	—	—	—
Due From Other Governments	5,253	—	—	—	—
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	—	—
Restricted Assets	—	—	—	—	—
Other Assets	—	—	—	—	—
TOTAL ASSETS	**286,747**	**17,001**	**91,516**	**104,343**	**3,670**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	—	—	281	165	171
Investment Purchases Payable	—	—	—	—	—
Due To Other Funds	3	—	1,096	918	242
Due To Component Units	—	—	—	—	4
Accounts Payable	15,081	849	10,259	4,061	938
Due To Other Governments	1	—	2,234	20	452
Securities Lending Obligation	—	—	—	—	—
Amounts Held Pending Distribution	—	—	—	—	—
Unearned Revenue	—	—	—	3,873	—
Amounts Held in Custody for Others	—	—	—	947	—
Compensated Absences	—	—	35	1	—
TOTAL LIABILITIES	**15,085**	**849**	**13,905**	**9,985**	**1,807**
Deferred Inflows of Resources	—	—	—	—	—
Fund Balances					
Nonspendable:					
Inventory	—	—	—	—	—
Restricted for:					
Economic Development and Regulation	—	—	—	552	—
Education and Cultural Resources	3,647	—	—	27	—
Natural Resources and Recreation	—	—	—	1	—
Health	—	—	77,611	—	—
Social Services	268,015	—	—	—	—
Protection of Persons and Property	—	16,152	—	93,778	1,863
Transportation	—	—	—	—	—
General Government	—	—	—	—	—
Assigned for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
General Government	—	—	—	—	—
Unassigned	—	—	—	—	—
Total Fund Balances	**271,662**	**16,152**	**77,611**	**94,358**	**1,863**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 286,747**	**$ 17,001**	**$ 91,516**	**$ 104,343**	**$ 3,670**

Rehabilitation Services	Children First Trust	Forever Wild Trust	Fair Trial Tax Fund	Alabama Capital Improvement Trust	County and Municipal Capital Improvement	Revenue Administrative Fund	Rebuild Alabama Fund
$ 35,452	$ 30,172	$ 2,542	$ 52,702	$ 0	$ 0	$ 32,633	$ 329,423
—	—	46,303	—	13,168	646,511	—	—
13,792	76	—	2	—	—	265	—
—	—	—	—	—	—	—	—
—	—	—	—	—	1,028	—	—
11	—	—	—	—	1,525	—	37
—	—	—	13	—	—	5,937	23,364
—	—	—	—	—	—	—	11,976
—	—	—	—	—	—	—	—
101	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
49,356	**30,248**	**48,845**	**52,717**	**13,168**	**649,064**	**38,835**	**364,800**
340	—	—	671	—	—	82	333
—	—	—	—	—	2,579	—	—
1,417	494	—	163	—	—	3,096	—
—	—	—	—	—	—	—	—
26,365	859	43	1,743	—	—	12,667	54,308
428	249	3	11	—	—	217	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	151	—
1	—	—	3	—	—	6	—
28,551	**1,602**	**46**	**2,591**	**—**	**2,579**	**16,219**	**54,641**
—	—	—	—	—	**431**	—	—
101	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
2,933	—	—	—	—	—	—	—
—	—	48,799	—	—	—	—	—
—	1,085	—	—	—	—	—	—
17,771	14,770	—	—	—	—	—	—
—	8,667	—	—	—	—	—	—
—	—	—	—	—	—	—	310,159
—	4,124	—	50,126	13,168	646,054	22,616	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
20,805	**28,646**	**48,799**	**50,126**	**13,168**	**646,054**	**22,616**	**310,159**
$ 49,356	**$ 30,248**	**$ 48,845**	**$ 52,717**	**$ 13,168**	**$ 649,064**	**$ 38,835**	**$ 364,800**

Continued on next page...

COMBINING BALANCE SHEET

Nonmajor Special Revenue Funds *Continued from previous page*

September 30, 2025

(Amounts in Thousands)

	Unclaimed Property Reserve Fund	Commerce	Law Enforcement	General Fund Budget Reserve Fund	Administrative Office of Courts
ASSETS					
Cash and Cash Equivalents	$ 354,525	$ 173,030	$ 105,324	$ 150,000	$ 119,986
Investments	—	—	—	—	—
Due From Other Funds	—	31	7,070	—	782
Due From Component Units	—	—	—	—	—
Investment Sales Receivable	—	—	—	—	—
Accounts Receivable	—	—	4,084	—	38
Taxes Receivable	—	—	80	—	—
Due From Other Governments	—	20	—	—	—
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	—	—
Restricted Assets	—	—	—	—	—
Other Assets	—	—	—	—	—
TOTAL ASSETS	**354,525**	**173,081**	**116,558**	**150,000**	**120,806**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	2,479	300	98	—	310
Investment Purchases Payable	—	—	—	—	—
Due To Other Funds	—	27	937	—	132
Due To Component Units	—	—	1	—	1
Accounts Payable	—	1,678	16,818	—	2,616
Due To Other Governments	—	—	1,172	—	1,045
Securities Lending Obligation	—	—	—	—	—
Amounts Held Pending Distribution	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Amounts Held in Custody for Others	351,996	—	1,280	—	63
Compensated Absences	—	—	63	—	—
TOTAL LIABILITIES	**354,475**	**2,005**	**20,369**	**—**	**4,167**
Deferred Inflows of Resources	**—**	**20**	**—**	**—**	**—**
Fund Balances					
Nonspendable:					
Inventory	—	—	—	—	—
Restricted for:					
Economic Development and Regulation	—	19	—	—	—
Education and Cultural Resources	—	165,450	—	—	—
Natural Resources and Recreation	—	—	3,973	—	—
Health	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	92,216	—	—
Transportation	—	—	—	—	—
General Government	50	5,587	—	150,000	116,639
Assigned for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
General Government	—	—	—	—	—
Total Fund Balances	**50**	**171,056**	**96,189**	**150,000**	**116,639**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 354,525**	**$ 173,081**	**$ 116,558**	**$ 150,000**	**$ 120,806**

Coronavirus Relief Fund	ARPA Coronavirus Local Fiscal Recovery Fund	Education Department	Educational Opportunities Reserve Fund	Miscellaneous Special Revenue Funds	Total
$ 410	$ 0	403,630	$ 661,293	$ 1,034,499	$ 6,660,689
—	—	—	—	148,641	1,417,325
—	—	1,278	—	18,449	192,883
—	—	—	—	8	2,514
—	—	—	—	—	1,028
—	—	913	—	28,984	114,144
—	—	10	—	1,330	540,367
—	—	155,303	—	6,379	494,118
—	—	—	—	193	193
—	—	—	—	39	49,100
—	—	—	—	3,244	4,836
—	—	—	—	277	277
410	**—**	**561,134**	**661,293**	**1,242,043**	**9,477,474**
—	—	1,990	—	3,866	17,338
—	—	—	—	—	2,579
—	—	848	—	12,210	88,216
—	—	—	—	—	10
377	—	8,423	—	98,848	761,381
—	—	144,901	—	58,188	303,546
—	—	—	—	193	193
—	—	—	—	—	—
—	—	—	—	4,851	8,724
—	—	—	—	10,714	376,087
—	—	19	—	85	594
377	**—**	**156,181**	**—**	**188,955**	**1,558,668**
—	**—**	**—**	**—**	**—**	**412,930**
—	—	—	—	39	49,100
—	—	—	—	144,622	171,902
—	—	403,977	661,293	204,423	3,134,866
—	—	—	—	24,202	304,072
—	—	—	—	5,643	597,981
—	—	976	—	65,586	393,809
—	—	—	—	225,467	506,812
—	—	—	—	33,764	875,840
33	—	—	—	190,719	1,312,871
—	—	—	—	—	—
—	—	—	—	7,035	7,035
—	—	—	—	24,888	24,888
—	—	—	—	126,700	126,700
33	**—**	**404,953**	**661,293**	**1,053,088**	**7,505,876**
$ 410	**$ 0**	**$ 561,134**	**$ 661,293**	**$ 1,242,043**	**$ 9,477,474**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Special Revenue Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Public Health Department	Economic and Community Affairs	Revenues Allocated to Other Governments	Other Medicaid Funds	Public Road and Bridge Fund
REVENUES					
Taxes	$ 1,861	$ 0	$ 533,547	$ 415,656	$ 399,600
Licenses, Permits, and Fees	113,178	2,328	42,237	—	161,961
Fines, Forfeits, and Court Settlements	81	1,471	1	—	—
Investment Income	—	2,473	—	—	3,697
Federal Grants and Reimbursements	782,045	322,080	367	—	1,198,509
Other Revenues	57,346	4,207	—	—	72,539
Total Revenues	**954,511**	**332,559**	**576,152**	**415,656**	**1,836,306**
EXPENDITURES					
Current:					
Economic Development and Regulation	—	—	1,206	—	—
Education and Cultural Resources	—	—	—	—	—
Natural Resources and Recreation	—	—	—	—	—
Health	1,062,825	179	378	473,649	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	4,182	—	—
Transportation	—	—	27,317	—	1,790,321
General Government	—	357,189	605,649	—	—
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	5,966	2,002	—	—	3,257
Debt Service - Interest and Other Charges	878	176	—	—	581
Total Expenditures	**1,069,669**	**359,546**	**638,732**	**473,649**	**1,794,159**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(115,158)**	**(26,987)**	**(62,580)**	**(57,993)**	**42,147**
OTHER FINANCING SOURCES (USES)					
Transfers In	121,385	24,887	58,450	40,799	91,451
Bonds Issued	—	—	—	—	—
Insurance Recovery Proceeds	368	—	—	—	11,776
Transfers Out	(43,569)	(13,779)	—	(28,799)	(124,637)
Leases	3,793	18,582	—	—	12,215
Total Other Financing Sources (Uses)	**81,977**	**29,690**	**58,450**	**12,000**	**(9,195)**
Net Change in Fund Balances	**(33,181)**	**2,703**	**(4,130)**	**(45,993)**	**32,952**
Beginning Balance, October 1, 2024	173,934	85,854	30,110	172,318	547,176
Restatements	—	—	—	—	—
Fund Balances, October 1, 2024, as Restated	173,934	85,854	30,110	172,318	547,176
Increase (Decrease) in Inventory	—	—	—	—	(1,072)
Fund Balances, September 30, 2025	**$ 140,753**	**$ 88,557**	**$ 25,980**	**$ 126,325**	**$ 579,056**

Mental Health	ETF Budget Stabilization	ETF Advancement and Technology Fund	Public School Fund	Public School and College Authority	Labor Department	Conservation and Natural Resources	Twenty-first Century Authority
$ 256,345	$ 0	$ 0	$ 306,160	$ 0	$ 3,536	$ 15,201	$ 0
80	—	—	—	—	176	35,909	—
—	—	—	—	—	53	520	91,819
—	16,364	—	—	3,911	1,080	1,285	3,273
90,316	—	—	—	—	98,399	89,356	—
4,722	—	—	32,639	65	2,216	101,600	21
351,463	**16,364**	**—**	**338,799**	**3,976**	**105,460**	**243,871**	**95,113**
—	—	—	—	—	—	—	2
—	—	1,284,847	212,553	114,822	—	—	—
—	—	—	—	—	—	236,094	—
1,232,354	—	—	—	—	—	—	—
42	—	—	—	—	71,598	—	—
4	—	—	—	—	16,856	2	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
2,191	—	—	—	—	1,928	70	—
370	—	—	533	—	149	5	—
1,234,961	**—**	**1,284,847**	**213,086**	**114,822**	**90,531**	**236,171**	**2**
(883,498)	**16,364**	**(1,284,847)**	**125,713**	**(110,846)**	**14,929**	**7,700**	**95,111**
1,331,730	113,169	873,794	533	—	16,057	21,461	16,000
—	—	—	—	—	—	—	—
—	—	—	—	—	11	296	—
(448,825)	—	(201)	(34,640)	(353)	(1,744)	(17,243)	(156,819)
—	—	—	—	—	—	—	—
882,905	**113,169**	**873,593**	**(34,107)**	**(353)**	**14,324**	**4,514**	**(140,819)**
(593)	**129,533**	**(411,254)**	**91,606**	**(111,199)**	**29,253**	**12,214**	**(45,708)**
247,176	714,152	785,444	253,051	241,783	66,107	215,831	72,397
—	—	—	—	—	—	—	—
247,176	714,152	785,444	253,051	241,783	66,107	215,831	72,397
19	—	—	—	—	—	73	—
$ 246,602	**$ 843,685**	**$ 374,190**	**$ 344,657**	**$ 130,584**	**$ 95,360**	**$ 228,118**	**$ 26,689**

Continued on next page...

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Special Revenue Funds *Continued from previous page*

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Veteran Affairs	Corrections	Environmental Management	Professional and Occupational Boards	Emergency Management
REVENUES					
Taxes	$ 0	$ 0	$ 9,509	$ 0	$ 0
Licenses, Permits, and Fees	105	7,718	72,295	53,935	—
Fines, Forfeits, and Court Settlements	—	2,025	2,148	11,387	—
Investment Income	101	3	2,032	2,369	—
Federal Grants and Reimbursements	109,152	—	24,624	—	53,842
Other Revenues	1,391	18,686	2,010	1,536	2,443
Total Revenues	**110,749**	**28,432**	**112,618**	**69,227**	**56,285**
EXPENDITURES					
Current:					
Economic Development and Regulation	—	—	—	176	—
Education and Cultural Resources	833	—	—	17	—
Natural Resources and Recreation	—	—	—	2	—
Health	—	—	126,895	—	—
Social Services	120,580	—	—	—	—
Protection of Persons and Property	—	53,811	—	67,898	56,429
Transportation	—	—	—	—	—
General Government	—	—	—	—	—
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	—	5,551	—	1,601	—
Debt Service - Interest and Other Charges	—	1,289	11	117	—
Total Expenditures	**121,413**	**60,651**	**126,906**	**69,811**	**56,429**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(10,664)**	**(32,219)**	**(14,288)**	**(584)**	**(144)**
OTHER FINANCING SOURCES (USES)					
Transfers In	74,330	24,557	16,926	3,974	1,387
Bonds Issued	—	—	—	—	—
Insurance Recovery Proceeds	10,000	581	41	108	—
Transfers Out	—	—	(6,092)	(4,364)	(1,226)
Leases	—	—	—	1,425	—
Total Other Financing Sources (Uses)	**84,330**	**25,138**	**10,875**	**1,143**	**161**
Net Change in Fund Balances	73,666	(7,081)	(3,413)	559	17
Beginning Balance, October 1, 2024	197,996	23,233	81,024	93,799	1,846
Restatements	—	—	—	—	—
Fund Balances, October 1, 2024, as Restated	197,996	23,233	81,024	93,799	1,846
Increase (Decrease) in Inventory	—	—	—	—	—
Fund Balances, September 30, 2025	**$ 271,662**	**$ 16,152**	**$ 77,611**	**$ 94,358**	**$ 1,863**

Rehabilitation Services	Children First Trust	Forever Wild Trust	Fair Trial Tax Fund	Alabama Capital Improvement Trust	County and Municipal Capital Improvement	Revenue Administrative Fund	Rebuild Alabama Fund
$ 0	$ 0	$ 0	$ 12,004	$ 0	$ 0	$ 174,620	$ 262,058
—	—	315	311	—	—	20,496	1,131
736	—	—	—	—	—	—	—
225	—	1,650	—	—	57,508	—	—
103,583	—	—	—	—	—	—	56,930
7,836	500	124	4,106	—	—	11,091	15,583
112,380	**500**	**2,089**	**16,421**	**—**	**57,508**	**206,207**	**335,702**
—	—	—	—	—	—	—	—
22,682	301	—	—	—	—	—	—
—	—	1,573	—	—	—	—	—
—	1,177	—	—	—	—	—	—
138,801	15,723	—	—	—	—	—	—
—	9,402	—	—	—	—	—	—
—	—	—	—	—	—	—	329,297
—	4,474	—	106,376	—	1,758	286,297	—
—	—	—	—	—	—	—	—
3,313	—	—	972	—	—	12,144	—
784	—	—	103	157	—	2,710	—
165,580	**31,077**	**1,573**	**107,451**	**157**	**1,758**	**301,151**	**329,297**
(53,200)	**(30,577)**	**516**	**(91,030)**	**(157)**	**55,750**	**(94,944)**	**6,405**
44,201	43,826	15,000	87,243	8,969	1,832	4,866	3,899
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
(511)	(15,132)	(1,022)	(1,555)	(14,096)	(24,241)	(35,361)	(44)
4,981	—	—	742	—	—	107,938	—
48,671	**28,694**	**13,978**	**86,430**	**(5,127)**	**(22,409)**	**77,443**	**3,855**
(4,529)	(1,883)	14,494	(4,600)	(5,284)	33,341	(17,501)	10,260
25,346	30,529	34,305	54,726	18,452	612,713	40,156	299,899
—	—	—	—	—	—	—	—
25,346	30,529	34,305	54,726	18,452	612,713	40,156	299,899
(12)	—	—	—	—	—	(39)	—
$ 20,805	**$ 28,646**	**$ 48,799**	**$ 50,126**	**$ 13,168**	**$ 646,054**	**$ 22,616**	**$ 310,159**

Continued on next page...

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Special Revenue Funds *Continued from previous page*

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Unclaimed Property Reserve Fund	Commerce	Law Enforcement	General Fund Budget Reserve Fund	Administrative Office of Courts
REVENUES					
Taxes	$ 0	$ 0	$ 1,682	$ 0	$ 0
Licenses, Permits, and Fees	—	1	52,065	—	389,681
Fines, Forfeits, and Court Settlements	—	—	3,802	—	1
Investment Income	—	1,078	—	—	—
Federal Grants and Reimbursements	—	31,068	32,019	—	468
Other Revenues	45,000	2,419	12,862	—	19,660
Total Revenues	**45,000**	**34,566**	**102,430**	**—**	**409,810**
EXPENDITURES					
Current:					
Economic Development and Regulation	—	25,950	—	—	—
Education and Cultural Resources	—	84,049	—	—	—
Natural Resources and Recreation	—	—	526	—	—
Health	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	264,619	—	—
Transportation	—	—	—	—	—
General Government	—	—	—	—	413,987
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	—	601	5,181	—	—
Debt Service - Interest and Other Charges	—	98	558	—	—
Total Expenditures	**—**	**110,698**	**270,884**	**—**	**413,987**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**45,000**	**(76,132)**	**(168,454)**	**—**	**(4,177)**
OTHER FINANCING SOURCES (USES)					
Transfers In	—	91,581	171,411	—	8,951
Bonds Issued	—	—	—	—	—
Insurance Recovery Proceeds	—	—	420	—	30
Transfers Out	(45,000)	(5,616)	(1,370)	—	(1,000)
Leases	—	—	12,208	—	—
Total Other Financing Sources (Uses)	**(45,000)**	**85,965**	**182,669**	**—**	**7,981**
Net Change in Fund Balances	—	9,833	14,215	—	3,804
Beginning Balance, October 1, 2024	50	161,223	81,974	150,000	112,835
Restatements	—	—	—	—	—
Fund Balances, October 1, 2024, as Restated	50	161,223	81,974	150,000	112,835
Increase (Decrease) in Inventory	—	—	—	—	—
Fund Balances, September 30, 2025	**$ 50**	**$ 171,056**	**$ 96,189**	**$ 150,000**	**$ 116,639**

Coronavirus Relief Fund	ARPA Coronavirus Local Fiscal Recovery Fund	Education Department	Educational Opportunities Reserve Fund	Miscellaneous Special Revenue Funds	Total
$ 0	$ 0	$ 2,069	$ 0	$ 72,145	$ 2,465,993
—	—	1,263	—	320,044	1,275,229
—	—	22	—	95,893	209,959
—	—	—	—	10,802	107,851
—	—	1,396,533	—	192,658	4,581,949
1	—	7,247	—	143,044	570,894
1	**—**	**1,407,134**	**—**	**834,586**	**9,211,875**
—	—	—	—	133,989	161,323
—	—	1,356,900	—	347,061	3,424,065
—	—	—	—	37,649	275,844
—	—	—	—	3,919	2,901,376
—	—	56,324	—	257,828	660,896
—	—	—	—	360,861	834,064
—	—	—	—	43,271	2,190,206
—	—	—	—	208,848	1,984,578
—	—	—	—	12,858	12,858
—	—	3,945	—	5,062	53,784
—	—	500	—	914	9,933
—	**—**	**1,417,669**	**—**	**1,412,260**	**12,508,927**
1	**—**	**(10,535)**	**—**	**(577,674)**	**(3,297,052)**
—	—	378,004	349,517	723,486	4,763,676
—	—	—	—	—	—
—	—	—	—	304	23,935
—	—	(2,422)	(455,000)	(116,480)	(1,601,141)
—	—	2,736	—	5,567	170,187
—	**—**	**378,318**	**(105,483)**	**612,877**	**3,356,657**
1	—	367,783	(105,483)	35,203	59,605
32	—	37,170	766,776	1,017,885	7,447,302
—	—	—	—	—	—
32	—	37,170	766,776	1,017,885	7,447,302
—	—	—	—	—	(1,031)
$ 33	**$ 0**	**$ 404,953**	**$ 661,293**	**$ 1,053,088**	**$ 7,505,876**

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Nonmajor Debt Service Funds

Nonmajor Debt Service Funds account for financial resources that are restricted, committed or assigned to expenditure for the payment of general governmental debt principal and interest.

Public School and College Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State educational facilities.

General Obligation Bond Debt Service
Accounts for resources used to pay the interest and principal on general obligation debt issued by the State.

Twenty-first Century Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing incentive grants to major industries locating or expanding within the State.

Incentives Financing Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State worker training facilities.

Industrial Development Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of making industrial development grants to local governments.

Federal Aid Highway Finance Authority
Accounts for resources used to pay interest and principal on debt issued to finance road and bridge construction.

Public Health Care Authority Debt Service
Accounts for resources used to pay interest and principal on debt issued to finance public health facilities.

Mental Health Finance Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State mental health facilities.

Judicial Building Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction of facilities used by the unified judicial system.

Highway Finance Corporation
Accounts for resources used to pay interest and principal on debt issued by the Corporation for the purpose of financing State roads and bridge projects.

Economic Settlement Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purposes of Alabama Trust Fund repayment, additional funding of the Medicaid Agency, and transportation projects.

Other Debt Service
Accounts for resources used to pay the interest and principal on all other debt issued by the State.

COMBINING BALANCE SHEET

Nonmajor Debt Service Funds

September 30, 2025

(Amounts in Thousands)

	Public School & College Authority	General Obligation Bonds	Twenty-first Century Authority	Incentives Financing Authority	Industrial Development Authority
ASSETS					
Cash and Cash Equivalents	$ 839	$ 4,420	$ 0	$ 25,811	$ 87
Investments	315,646	—	—	—	—
Due From Other Funds	74,006	—	—	—	—
Accounts Receivable	3,443	—	—	—	—
Taxes Receivable	—	800	—	—	—
TOTAL ASSETS	**393,934**	**5,220**	**—**	**25,811**	**87**
Deferred Outflows Of Resources	—	—	—	—	—
LIABILITIES AND FUND BALANCES					
Liabilities					
Due To Other Funds	—	—	—	—	—
Total Liabilities	**—**	**—**	**—**	**—**	**—**
Deferred Inflows Of Resources	—	—	—	—	—
Fund Balances					
Restricted for:					
Debt Service	393,934	5,220	—	25,811	87
Total Fund Balances	**393,934**	**5,220**	**—**	**25,811**	**87**
TOTAL LIABILITIES AND FUND BALANCES	**$ 393,934**	**$ 5,220**	**$ 0**	**$ 25,811**	**$ 87**

Federal Aid Highway Finance Authority	Public Health Care Authority	Mental Health Finance Authority	Highway Finance Corporation	Economic Settlement Authority	Corrections Institution Finance Authority	Other Debt Service Funds	Totals
$ 30	$ 0	$ 0	$ 1,960	$ 8,227	$ 0	$ 0	$ 41,374
—	826	—	—	—	20	—	316,492
—	—	—	—	—	—	—	74,006
—	5,154	—	—	—	—	—	8,597
—	—	—	—	—	—	—	800
30	**5,980**	**—**	1,960	**8,227**	20	—	**441,269**
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
30	5,980	—	1,960	8,227	20	—	441,269
30	**5,980**	**—**	**1,960**	**8,227**	**20**	**—**	**441,269**
$ 30	**$ 5,980**	**$ 0**	**$ 1,960**	**$ 8,227**	**$ 20**	**$ 0**	**$ 441,269**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Debt Service Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Public School & College Authority	General Obligation Bonds	Twenty-first Century Authority	Incentives Financing Authority	Industrial Development Authority
REVENUES					
Taxes	$ 0	$ 6,795	$ 0	$ 0	$ 0
Investment Income	10,243	—	—	1,005	—
Federal Grants and Reimbursements	12,595	—	—	—	—
Other Revenues	24,757	383	—	—	—
Total Revenues	**47,595**	**7,178**	**—**	**1,005**	**—**
EXPENDITURES					
Current:					
Debt Service - Principal Retirement	144,030	47,660	—	8,590	—
Debt Service - Interest and Other Charges	88,060	18,702	—	7,044	—
Total Expenditures	**232,090**	**66,362**	**—**	**15,634**	**—**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(184,495)**	**(59,184)**	**—**	**(14,629)**	**—**
OTHER FINANCING SOURCES (USES)					
Transfers In	216,785	59,140	—	16,263	—
Bonds Issued	—	—	—	—	—
Refunding Bonds Issued	—	—	—	—	—
Debt Issuance Premiums	—	—	—	—	—
Transfers Out	—	—	—	(629)	—
Payments to Refunded Bond Escrow Agent	—	—	—	—	—
Total Other Financing Sources (Uses)	**216,785**	**59,140**	**—**	**15,634**	**—**
Net Change in Fund Balances	**32,290**	**(44)**	**—**	**1,005**	**—**
Beginning Balance, October 1, 2024	361,644	5264	—	24,806	87
Restatements	—	—	—	—	—
Fund Balances, October 1, 2024, as Restated	361,644	5,264	—	24,806	87
Fund Balances, September 30, 2025	**$ 393,934**	**$ 5,220**	**$ 0**	**$ 25,811**	**$ 87**

Federal Aid Highway Finance Authority	Public Health Care Authority	Mental Health Finance Authority	Highway Finance Corporation	Economic Settlement Authority	Corrections Institution Finance Authority	Other Debt Service Funds	Totals
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 6,795
—	3,330	—	—	846	820	—	16,244
—	—	—	—	—	—	—	12,595
—	—	—	—	—	—	—	25,140
—	**3,330**	**—**	**—**	**846**	**820**	**—**	**60,774**
410,183	2,350	—	3,600	37,480	—	1,229	655,122
24,628	2,764	—	4,262	16,441	23,096	123	185,120
434,811	**5,114**	**—**	**7,862**	**53,921**	**23,096**	**1,352**	**840,242**
(434,811)	**(1,784)**	**—**	**(7,862)**	**(53,075)**	**(22,276)**	**(1,352)**	**(779,468)**
108,905	3,159	—	7,862	52,713	—	1,352	466,179
843	—	—	—	—	—	—	843
340,590	—	—	—	—	—	—	340,590
35,885	—	—	—	—	—	—	35,885
—	(549)	—	—	—	(5,006)	—	(6,184)
(51,382)	—	—	—	—	—	—	(51,382)
434,841	**2,610**	**—**	**7,862**	**52,713**	**(5,006)**	**1,352**	**785,931**
30	**826**	**—**	**—**	**(362)**	**(27,282)**	**—**	**6,463**
—	5,154	—	1,960	8,589	27,302	—	434,806
—	—	—	—	—	—	—	—
—	5,154	—	1,960	8,589	27,302	—	434,806
$ 30	**$ 5,980**	**$ 0**	**$ 1,960**	**$ 8,227**	**$ 20**	**$ 0**	**$ 441,269**

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FLORIDA
Gulf of Mexico
GREAT SEAL

Nonmajor Capital Project Funds

Nonmajor Capital Project Funds account for financial resources restricted, committed or assigned to expenditure for the acquisition, construction, and improvement of major general governmental capital assets.

General Obligation Bond Projects
Accounts for the proceeds of general obligation debt issued by the State for a wide variety of construction projects involving waterways, parks, roads, prisons, mental hospitals, research labs, and other buildings.

Public Health Care Authority Capital Projects
Accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction of public health facilities.

Mental Health Finance Authority
Accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State mental health facilities.

Federal Aid Highway Finance Authority
Accounts for the proceeds of debt issued by the Authority for the purpose of financing improvements to the State's roads and bridges.

Highway Finance Corporation
Accounts for the proceeds of debt issued by the Corporation for the purpose of funding improvements to the State's roads and bridges.

Other Capital Projects
Accounts for the proceeds of all other debt issued by the State to fund capital projects.

COMBINING BALANCE SHEET

Nonmajor Capital Projects Funds

September 30, 2025

(Amounts in Thousands)

	General Obligation Bond Projects	Public Health Care Authority	Mental Health Finance Authority
ASSETS			
Cash and Cash Equivalents	$ 739	$ 70,038	$ 14,203
Investments	—	—	—
Due From Other Funds	—	4,856	—
Due From Component Units	—	—	49,311
TOTAL ASSETS	**739**	**74,894**	**63,514**
LIABILITIES AND FUND BALANCES			
Liabilities			
Warrants Payable	—	—	—
Due To Other Funds	—	20,214	—
Accounts Payable	—	886	—
Unearned Revenue	—	50,568	—
Total Liabilities	**—**	**71,668**	**—**
Deferred Inflows Of Resources	**—**	**—**	**3,000**
Fund Balances			
Restricted for:			
Capital Projects	739	3,226	60,514
Total Fund Balances	**739**	**3,226**	**60,514**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 739**	**$ 74,894**	**$ 63,514**

Federal Aid Highway Finance Authority	Highway Finance Corporation	APSCA Capital Project Fund	Correctional Capital Improvement Project Fund	Other Capital Project Funds	Total
$ 189,601	$ 0	$ 1,005	$ 120,081	$ 17,207	$ 412,874
—	—	—	160,363	—	160,363
—	—	—	—	263	5,119
—	—	—	—	—	49,311
189,601	**—**	**1,005**	**280,444**	**17,470**	**627,667**
—	—	—	—	53	53
—	—	—	64,413	—	84,627
—	—	—	95	5,691	6,672
—	—	—	—	—	50,568
—	**—**	**—**	**64,508**	**5,744**	**141,920**
—	**—**	**—**	**—**	**—**	**3,000**
189,601	—	1,005	215,936	11,726	482,747
189,601	**—**	**1,005**	**215,936**	**11,726**	**482,747**
$ 189,601	**$ 0**	**$ 1,005**	**280,444**	**$ 17,470**	**$ 627,667**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Capital Projects Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	General Obligation Bond Projects	Public Health Care Authority	Mental Health Finance Authority
REVENUES			
Taxes	$ 0	$ 0	$ 0
Investment Income	53	490	750
Other Revenues	—	—	5,957
Total Revenues	**53**	**490**	**6,707**
EXPENDITURES			
Current:			
Economic Development and Regulation	2,287	—	—
Education and Cultural Resources	—	—	—
Capital Outlay	—	6,537	7,627
Debt Service - Interest and Other Charges	—	—	—
Total Expenditures	**2,287**	**6,537**	**7,627**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(2,234)**	**(6,047)**	**(920)**
OTHER FINANCING SOURCES (USES)			
Transfers In	—	7,040	220
Bonds Issued	—	—	—
Debt Issuance Premiums	—	—	—
Transfers Out	—	(2,805)	—
Total Other Financing Sources (Uses)	**—**	**4,235**	**220**
Net Change in Fund Balances	**(2,234)**	**(1,812)**	**(700)**
Beginning Balance, October 1, 2024	2,973	5,038	61,214
Restatements	—	—	—
Fund Balances, October 1, 2024, as Restated	2,973	5,038	61,214
Fund Balances, September 30, 2025	**$ 739**	**$ 3,226**	**$ 60,514**

Federal Aid Highway Finance Authority	Highway Finance Corporation	APSCA Capital Project Fund	Correctional Capital Improvement Project Fund	Other Capital Project Funds	Totals
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
3,791	—	63	21,617	1,994	28,758
—	—	—	—	—	5,957
3,791	**—**	**63**	**21,617**	**1,994**	**34,715**
—	—	—	—	—	2,287
—	—	1,083	—	3	1,086
—	—	—	389,965	55,619	459,748
—	—	—	85	—	85
—	**—**	**1,083**	**390,050**	**55,622**	**463,206**
3,791	**—**	**(1,020)**	**(368,433)**	**(53,628)**	**(428,491)**
—	—	—	146,437	—	153,697
249,157	—	—	—	—	249,157
24,731	—	—	—	—	24,731
(88,078)	—	—	—	—	(90,883)
185,810	**—**	**—**	**146,437**	**—**	**336,702**
189,601	**—**	**(1,020)**	**(221,996)**	**(53,628)**	**(91,789)**
—	—	2,025	437,932	65,354	574,536
—	—	—	—	—	—
—	—	2,025	437,932	65,354	574,536
$ 189,601	**$ 0**	**$ 1,005**	**$ 215,936**	**$ 11,726**	**$ 482,747**

ALABAMA
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TOMBIGBEE
ALABAMA RIVER
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Nonmajor Permanent Funds

Nonmajor Permanent Funds report resources that are legally restricted so that only earnings, not principal, may be used for purposes that support the State's governmental programs.

Marine and Game and Fish Endowments
Invests the proceeds of lifetime hunting and fishing licenses and uses the investment income to preserve, protect, propagate, and develop wildlife within the State.

Alabama Research Alliance
Is a trust fund which awards research grants to State universities to promote science and technology.

Senior Services Trust
Invests a portion of the proceeds from the tobacco settlement in order to accumulate money to expand programs benefiting elderly citizens.

Other Permanent Funds
Accounts for several small permanent funds which further educational, health, and social programs.

COMBINING BALANCE SHEET

Nonmajor Permanent Funds

September 30, 2025

(Amounts in Thousands)

	Marine, Game, and Fish Endowment	Alabama Research Alliance	Senior Services Trust	Other Permanent Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 587	$ 7	$ 4	$ 209	$ 807
Investments	35,595	12,909	67,775	15,476	131,755
Accounts Receivable	—	7	414	—	421
Mortgages, Notes, and Loans Receivable	—	—	—	68	68
Securities Lending Collateral	2,853	—	4,303	—	7,156
TOTAL ASSETS	**39,035**	**12,923**	**72,496**	**15,753**	**140,207**
LIABILITIES AND FUND BALANCES					
Liabilities					
Warrants Payable	1	—	—	—	1
Due To Other Funds	247	—	—	—	247
Accounts Payable	—	—	3	—	3
Securities Lending Obligation	2,853	—	4,303	—	7,156
Total Liabilities	**3,101**	**—**	**4,306**	**—**	**7,407**
Fund Balances					
Nonspendable:					
Permanent Fund Principal	35,934	11,500	39,537	12,872	99,843
Restricted for:					
Education and Cultural Resources	—	1,423	—	1,449	2,872
Health	—	—	—	1,432	1,432
Social Services	—	—	28,653	—	28,653
Total Fund Balances	**35,934**	**12,923**	**68,190**	**15,753**	**132,800**
TOTAL LIABILITIES AND FUND BALANCES	**$ 39,035**	**$ 12,923**	**$ 72,496**	**$ 15,753**	**$ 140,207**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Permanent Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Marine, Game, and Fish Endowment	Alabama Research Alliance	Senior Services Trust	Other Permanent Funds	Totals
REVENUES					
Licenses, Permits, and Fees	$ 1,667	$ 0	$ 0	$ 108	$ 1,775
Investment Income	(260)	477	2,447	569	3,233
Other Revenues	—	—	11	4	15
Total Revenues	**1,407**	**477**	**2,458**	**681**	**5,023**
EXPENDITURES					
Current:					
Education and Cultural Resources	—	8	—	—	8
Social Services	—	—	189	—	189
General Government	—	—	—	9	9
Total Expenditures	**—**	**8**	**189**	**9**	**206**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**1,407**	**469**	**2,269**	**672**	**4,817**
OTHER FINANCING SOURCES (USES)					
Transfers In	—	—	3,006	—	3,006
Transfers Out	—	(1)	(1,772)	(440)	(2,213)
Total Other Financing Sources (Uses)	**—**	**(1)**	**1,234**	**(440)**	**793**
Net Change in Fund Balances	**1,407**	**468**	**3,503**	**232**	**5,610**
Beginning Balance, October 1, 2024	34,527	12,455	64,687	15,521	127,190
Restatements	—	—	—	—	—
Fund Balances, October 1, 2024, as Restated	34,527	12,455	64,687	15,521	127,190
Fund Balances, September 30, 2025	**$ 35,934**	**$ 12,923**	**$ 68,190**	**$ 15,753**	**$ 132,800**

ALABAMA
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Gulf of Mexico
GREAT SEAL

Governmental Funds Supplementary Information

Governmental Funds Supplementary Information includes non-GAAP basis schedules demonstrating compliance with the legally adopted budget and summaries of governmental fund revenues in the State Treasury.

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
EXPENDITURES:			
Administrative Office of Courts			
Administrative Services	3,871	3,798	73
Alabama Sentencing Commission	786	779	7
Court Operations	161,789	161,756	33
Drug Court	2,091	2,069	22
Juvenile Probation Officer Services	13,161	13,160	1
TOTAL Administrative Office of Courts	**181,698**	**181,562**	**136**
Agriculture and Industries			
Administrative Services	12,600	12,600	-
Agricultural Development Services	1,004	1,004	-
Agricultural Inspection Services	4,288	4,288	-
Lab Analysis and Disease Control	2,675	2,675	-
TOTAL Agriculture and Industries	**20,567**	**20,567**	**-**
Alabama Community College System			
Adult Education: Adult Basic Education	-	-	-
Postsecondary Administration: Postsecondary/Chancellor's	-	-	-
Postsecondary Administration: Science, Technology, Engineering, Art, and Mathematics STEAM	-	-	-
Postsecondary-Prison Education: Prison Education/Operations and Maintenance	-	-	-
Postsecondary-Special Line Items: Alabama Career Map	-	-	-
Postsecondary-Special Line Items: Automotive Manufacturing Workforce Development Program	-	-	-
Postsecondary-Special Line Items: Automotive Workforce Training Scholarship Program	-	-	-
Postsecondary-Special Line Items: Career Technical Equipment	-	-	-
Postsecondary-Special Line Items: Distance Learning Program	-	-	-
Postsecondary-Special Line Items: LPN Program	-	-	-
Postsecondary-Special Line Items: Mine Safety	-	-	-
Postsecondary-Special Line Items: Short Term Certification Credential	-	-	-
Postsecondary-Special Line Items: Smart Career Workforce Pilot Project	-	-	-
Postsecondary-Special Line Items: Special Populations Training	-	-	-
Postsecondary-Special Line Items: The Women's Fund of Greater Birmingham Pilot Program	-	-	-
Postsecondary-Special Line Items: Volunteer Emergency Medical Services Personnel Certification	-	-	-
Postsecondary-Technical Colleges	-	-	-
Postsecondary-Technical Colleges: Truck Driver Training-Central Alabama Community College	-	-	-
Postsecondary-Two Year Colleges: Alabama Technology Network	-	-	-
Postsecondary-Two Year Colleges: Dual Enrollment	-	-	-
Postsecondary-Two Year Colleges: Industry Certification Initiatives	-	-	-
Postsecondary-Two Year Colleges: Marion Military Institute	-	-	-
Postsecondary-Two Year Colleges: Two Year Colleges/Operations and Maintenance	-	-	-
TOTAL Alabama Community College System	**-**	**-**	**-**
Attorney General			
Fair Marketing Practices: Consumer Protection	1,076	1,076	-
Legal Advice And Legal Service: Attorney General-Operations	12,963	12,963	-
TOTAL Attorney General	**14,039**	**14,039**	**-**
Auditor			
Fiscal Management	1,483	1,215	268
TOTAL Auditor	**1,483**	**1,215**	**268**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	3,871	3,798	73
-	-	-	3,000	-	3,000	3,786	779	3,007
-	-	-	57,684	53,851	3,833	219,473	215,607	3,866
-	-	-	3,000	-	3,000	5,091	2,069	3,022
750	548	202	4,524	4,474	50	18,435	18,182	253
750	**548**	**202**	**68,208**	**58,325**	**9,883**	**250,656**	**240,435**	**10,221**
-	-	-	9,527	6,951	2,576	22,127	19,551	2,576
828	771	57	14,359	9,590	4,769	16,191	11,365	4,826
-	-	-	22,286	16,739	5,547	26,574	21,027	5,547
-	-	-	15,554	12,939	2,615	18,229	15,614	2,615
828	**771**	**57**	**61,726**	**46,219**	**15,507**	**83,121**	**67,557**	**15,564**
14,465	14,465	-	-	-	-	14,465	14,465	-
14,739	14,739	-	-	-	-	14,739	14,739	-
800	800	-	-	-	-	800	800	-
19,094	19,094	-	-	-	-	19,094	19,094	-
2,000	2,000	-	-	-	-	2,000	2,000	-
313	313	-	-	-	-	313	313	-
400	400	-	-	-	-	400	400	-
10,000	10,000	-	-	-	-	10,000	10,000	-
3,375	3,375	-	-	-	-	3,375	3,375	-
3,000	3,000	-	-	-	-	3,000	3,000	-
350	350	-	-	-	-	350	350	-
17,000	17,000	-	-	-	-	17,000	17,000	-
200	200	-	-	-	-	200	200	-
4,725	4,725	-	-	-	-	4,725	4,725	-
750	750	-	-	-	-	750	750	-
125	125	-	-	-	-	125	125	-
-	-	-	2,000	1,157	843	2,000	1,157	843
241	241	-	-	-	-	241	241	-
6,168	6,168	-	-	-	-	6,168	6,168	-
40,682	40,682	-	-	-	-	40,682	40,682	-
9,640	9,640	-	-	-	-	9,640	9,640	-
11,271	11,271	-	-	-	-	11,271	11,271	-
483,422	483,422	-	126,530	126,530	-	609,952	609,952	-
642,760	**642,760**	**-**	**128,530**	**127,687**	**843**	**771,290**	**770,447**	**843**
-	-	-	3,569	1,003	2,566	4,645	2,079	2,566
-	-	-	25,718	17,913	7,805	38,681	30,876	7,805
-	**-**	**-**	**29,287**	**18,916**	**10,371**	**43,326**	**32,955**	**10,371**
-	-	-	-	-	-	1,483	1,215	268
-	**-**	**-**	**-**	**-**	**-**	**1,483**	**1,215**	**268**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Commission on Higher Education			
Deferred Maintenance Program	-	-	-
Planning and Coordination Services	-	-	-
Student Financial Aid	-	-	-
Support - Other Educational Activities	-	-	-
Support of State Programs	-	-	-
Support of State Universities	-	-	-
TOTAL Commission on Higher Education	**-**	**-**	**-**
Corrections			
Administration Service and Logistical Support	45,857	43,420	2,437
Correctional Industries	-	-	-
Institutional Service Corrections	692,833	686,585	6,248
TOTAL Corrections	**738,690**	**730,005**	**8,685**
Economic and Community Affairs			
Administrative Support Service	4,656	3,177	1,479
Broadband - ADECA	8,432	1,398	7,034
Broadband Voucher Program	-	-	-
Energy Management	22,586	3,194	19,392
Law Enforcement Planning and Development	1,479	1,463	16
Planning	50,399	35,041	15,358
Surplus Property	8,175	7,264	911
Water Resources	3,528	1,811	1,717
TOTAL Economic and Community Affairs	**99,255**	**53,348**	**45,907**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
5	5	-	5,000	4,924	76	5,005	4,929	76
7,441	4,800	2,641	436	185	251	7,877	4,985	2,892
41,981	27,687	14,294	747	252	495	42,728	27,939	14,789
24,815	7,349	17,466	12,500	106	12,394	37,315	7,455	29,860
22,454	22,029	425	-	-	-	22,454	22,029	425
6,491	6,491	-	-	-	-	6,491	6,491	-
103,187	**68,361**	**34,826**	**18,683**	**5,467**	**13,216**	**121,870**	**73,828**	**48,042**
-	-	-	-	-	-	45,857	43,420	2,437
-	-	-	44,185	12,491	31,694	44,185	12,491	31,694
-	-	-	72,399	56,138	16,261	765,232	742,723	22,509
-	**-**	**-**	**116,584**	**68,629**	**47,955**	**855,274**	**798,634**	**56,640**
-	-	-	14,607	14,009	598	19,263	17,186	2,077
-	-	-	25,911	16,323	9,588	34,343	17,721	16,622
-	-	-	492,347	116,580	375,767	492,347	116,580	375,767
4,637	178	4,459	131,117	92,600	38,517	158,340	95,972	62,368
-	-	-	123,900	56,142	67,758	125,379	57,605	67,774
-	-	-	316,356	196,500	119,856	366,755	231,541	135,214
-	-	-	3,533	1,779	1,754	11,708	9,043	2,665
-	-	-	7,686	4,675	3,011	11,214	6,486	4,728
4,637	**178**	**4,459**	**1,115,457**	**498,608**	**616,849**	**1,219,349**	**552,134**	**667,215**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Education			
Administrative Services: Advanced Placement	-	-	-
Administrative Services: AEDs in Schools	-	-	-
Administrative Services: Alabama Holocaust Commission	-	-	-
Administrative Services: Alabama Math, Science and technology Initiative	-	-	-
Administrative Services: Alabama Reading Initiative	-	-	-
Administrative Services: Arts Education	-	-	-
Administrative Services: Auxiliary Teacher Grant Program for Underperforming Schools	-	-	-
Administrative Services: Better Basics	-	-	-
Administrative Services: CALT Stipend Program	-	-	-
Administrative Services: Cameras in the Classroom	-	-	-
Administrative Services: Catastrophic Special Ed	-	-	-
Administrative Services: Charter School Grant Program	-	-	-
Administrative Services: Children's Eye Screening Program	-	-	-
Administrative Services: Children's First Trust Fund	-	-	-
Administrative Services: CLAS - Certified Instructional Leader Program	-	-	-
Administrative Services: Computer Program Science for Alabama	-	-	-
Administrative Services: Distance Learning	-	-	-
Administrative Services: English Language Learners Program	-	-	-
Administrative Services: Governor's Mathematics Education Coaching Corps	-	-	-
Administrative Services: High Needs Special Ed Grants	-	-	-
Administrative Services: Juvenile Probation Officers	-	-	-
Administrative Services: Local School and School System Academic and Financial Improv	-	-	-
Administrative Services: Military Children Support Plan	-	-	-
Administrative Services: Office of School Improvement	-	-	-
Administrative Services: Office of Specialized Treatment Centers	-	-	-
Administrative Services: Online High-Speed Teacher Certification Portal	-	-	-
Administrative Services: Operations and Maintenance	-	-	-
Administrative Services: Principal Leadership and Mentoring	-	-	-
Administrative Services: School Safety	-	-	-
Administrative Services: School Safety and Security Climate Program	-	-	-
Administrative Services: Special Ed Interpreters Deaf/HOH Teachers	-	-	-
Administrative Services: Speech Pathologist Stipend Program	-	-	-
Administrative Services: Speech Therapist Stipend Program	-	-	-
Administrative Services: Statewide Student Assessment	-	-	-
Administrative Services: STEM Education Consortium	-	-	-
Administrative Services: Struggling Readers Beyond Grade 3	-	-	-
Administrative Services: Summer/Afterschool Program	-	-	-
Administrative Services: Tenure Personnel Hearings	-	-	-
Administrative Services: Turnaround Schools	-	-	-
Administrative Services: Underperforming Schools	-	-	-
Administrative Services: Woolley Institute for Spoken Language	-	-	-
Alabama Science in Motion: Support of Other Ed Activity	-	-	-
American Village: American Village	-	-	-
American Village: Civics Partnership	-	-	-
American Village: Semiquincentennial Commission	-	-	-
American Village: US History Commission	-	-	-
At-Risk Student Program	-	-	-
Board of Adjustment	-	-	-
Career Tech Operations and Maintenance	-	-	-
Disability Determination for Social Security: Disability Determination SS	-	-	-
Endowment Interest Program-Public School Fund	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
13,984	13,146	838	-	-	-	13,984	13,146	838
7,500	7,187	313	-	-	-	7,500	7,187	313
350	100	250	-	-	-	350	100	250
139,382	103,850	35,532	-	-	-	139,382	103,850	35,532
184,782	111,965	72,817	-	-	-	184,782	111,965	72,817
2,023	2,020	3	-	-	-	2,023	2,020	3
15,588	9,691	5,897	-	-	-	15,588	9,691	5,897
500	500	-	-	-	-	500	500	-
5	5	-	-	-	-	5	5	-
500	5	495	-	-	-	500	5	495
231	-	231	-	-	-	231	-	231
10,300	10,300	-	-	-	-	10,300	10,300	-
2,896	2,896	-	-	-	-	2,896	2,896	-
9,731	1,512	8,219	-	-	-	9,731	1,512	8,219
350	350	-	-	-	-	350	350	-
13,811	3,501	10,310	-	-	-	13,811	3,501	10,310
29,737	22,480	7,257	-	-	-	29,737	22,480	7,257
20,044	20,015	29	-	-	-	20,044	20,015	29
5,000	-	5,000	-	-	-	5,000	-	5,000
38,788	15,077	23,711	-	-	-	38,788	15,077	23,711
-	-	-	-	-	-	-	-	-
18,197	13,412	4,785	-	-	-	18,197	13,412	4,785
800	800	-	-	-	-	800	800	-
1,902	1,271	631	-	-	-	1,902	1,271	631
27,600	24,313	3,287	-	-	-	27,600	24,313	3,287
615	615	-	-	-	-	615	615	-
38,227	31,674	6,553	65,347	34,620	30,727	103,574	66,294	37,280
41,634	37,206	4,428	-	-	-	41,634	37,206	4,428
11,850	-	11,850	-	-	-	11,850	-	11,850
11,738	10,801	937	-	-	-	11,738	10,801	937
19,093	6,893	12,200	-	-	-	19,093	6,893	12,200
850	500	350	-	-	-	850	500	350
1	-	1	-	-	-	1	-	1
30,876	18,155	12,721	-	-	-	30,876	18,155	12,721
750	750	-	-	-	-	750	750	-
15,000	4,743	10,257	-	-	-	15,000	4,743	10,257
33,448	32,711	737	-	-	-	33,448	32,711	737
812	19	793	-	-	-	812	19	793
10,000	9,000	1,000	-	-	-	10,000	9,000	1,000
2,000	-	2,000	-	-	-	2,000	-	2,000
2,360	1,660	700	-	-	-	2,360	1,660	700
-	-	-	5,097	3,583	1,514	5,097	3,583	1,514
1,000	1,000	-	-	-	-	1,000	1,000	-
1,000	750	250	-	-	-	1,000	750	250
10,364	10,364	-	-	-	-	10,364	10,364	-
200	200	-	-	-	-	200	200	-
21,806	21,173	633	-	-	-	21,806	21,173	633
2,016	274	1,742	-	-	-	2,016	274	1,742
8,000	7,973	27	-	-	-	8,000	7,973	27
-	-	-	106,318	61,716	44,602	106,318	61,716	44,602
-	-	-	533	533	-	533	533	-

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Financial Assistance: 1st Grade Readiness Pilot Project	-	-	-
Financial Assistance: Alabama Baseball Coaches Association	-	-	-
Financial Assistance: Alabama Coaches Officials Organization	-	-	-
Financial Assistance: Alabama Football Coaches Association	-	-	-
Financial Assistance: Alabama Scholars Bowl TV Show	-	-	-
Financial Assistance: Alabama Teacher Mentor Program	-	-	-
Financial Assistance: ARPA	-	-	-
Financial Assistance: Athletic Trainers Secondary School Incentive Program	-	-	-
Financial Assistance: Birmingham Education Foundation	-	-	-
Financial Assistance: Career Tech Initiative	-	-	-
Financial Assistance: Children's Hospital	-	-	-
Financial Assistance: Coach Safely Initiative	-	-	-
Financial Assistance: College and Career Readiness Grants	-	-	-
Financial Assistance: COVID-19 Pandemic	-	-	-
Financial Assistance: Early Childhood Classroom Assessment	-	-	-
Financial Assistance: Ed Farm	-	-	-
Financial Assistance: Educational Delivery Options for Public Schools Grant Progra	-	-	-
Financial Assistance: Educational Technology Assessment Pilot Program	-	-	-
Financial Assistance: Healthy Eating, Active Living	-	-	-
Financial Assistance: Helping Families Initiative	-	-	-
Financial Assistance: High Hopes for Alabama Students	-	-	-
Financial Assistance: Hudson Alpha Institute	-	-	-
Financial Assistance: Jobs for Alabama Graduates	-	-	-
Financial Assistance: Liberty Learning Foundation	-	-	-
Financial Assistance: Local Financial Assistance	-	-	-
Financial Assistance: Math Nation	-	-	-
Financial Assistance: National Board Certification of Teachers	-	-	-
Financial Assistance: National Board for Professional Teaching Standards	-	-	-
Financial Assistance: Other Financial Assistance	-	-	-
Financial Assistance: Plasma Games Curriculum	-	-	-
Financial Assistance: Reach and Teach	-	-	-
Financial Assistance: Remote Learning Hub	-	-	-
Financial Assistance: Robotics Grant Program	-	-	-
Financial Assistance: Small Magic School Readiness	-	-	-
Financial Assistance: Southern Research Institute	-	-	-
Financial Assistance: Southwest School of Deaf and Blind	-	-	-
Financial Assistance: Special Ed Certified Behavior Analyst	-	-	-
Financial Assistance: Special Ed Pre-school Program	-	-	-
Financial Assistance: Student Botanical Project	-	-	-
Financial Assistance: Symphony in Education Program	-	-	-
Financial Assistance: Teach for America	-	-	-
Financial Assistance: Teacher In-service Centers	-	-	-
Financial Assistance: Teacher Professional Development Training	-	-	-
Financial Assistance: Teacher Recruitment and Placement	-	-	-
Financial Assistance: Vaping Education Program	-	-	-
Financial Assistance: Youth Leadership and Development Program	-	-	-
Foundation Program	-	-	-
Future Teachers of Alabama: Future Teachers of Alabama	-	-	-
Gifted Students Program: Gifted Students	-	-	-
Information Technology Services	-	-	-
Kindervision: Kindervision	-	-	-
Liability Insurance Program: Liability Insurance Program	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
1,200	-	1,200	-	-	-	1,200	-	1,200
125	125	-	-	-	-	125	125	-
50	50	-	-	-	-	50	50	-
150	150	-	-	-	-	150	150	-
100	100	-	-	-	-	100	100	-
9,205	3,969	5,236	-	-	-	9,205	3,969	5,236
-	-	-	2,073,468	91,741	1,981,727	2,073,468	91,741	1,981,727
600	287	313	-	-	-	600	287	313
400	400	-	-	-	-	400	400	-
53,385	35,398	17,987	-	-	-	53,385	35,398	17,987
1,340	1,340	-	-	-	-	1,340	1,340	-
800	800	-	-	-	-	800	800	-
27,428	16,863	10,565	-	-	-	27,428	16,863	10,565
-	-	-	780,000	-	780,000	780,000	-	780,000
3,166	2,707	459	-	-	-	3,166	2,707	459
18,500	18,500	-	-	-	-	18,500	18,500	-
5,000	5,000	-	-	-	-	5,000	5,000	-
500	500	-	-	-	-	500	500	-
905	905	-	-	-	-	905	905	-
3,300	3,300	-	-	-	-	3,300	3,300	-
13,223	11,232	1,991	-	-	-	13,223	11,232	1,991
1,000	1,000	-	-	-	-	1,000	1,000	-
6,902	4,889	2,013	-	-	-	6,902	4,889	2,013
1,000	1,000	-	-	-	-	1,000	1,000	-
31,852	22,263	9,589	2,295,489	2,201,751	93,738	2,327,341	2,224,014	103,327
2,900	2,900	-	-	-	-	2,900	2,900	-
2,353	336	2,017	-	-	-	2,353	336	2,017
17,696	15,319	2,377	-	-	-	17,696	15,319	2,377
-	-	-	594	-	594	594	-	594
2,000	2,000	-	-	-	-	2,000	2,000	-
350	350	-	-	-	-	350	350	-
4,233	1,998	2,235	-	-	-	4,233	1,998	2,235
1,157	985	172	-	-	-	1,157	985	172
500	500	-	-	-	-	500	500	-
1,000	1,000	-	-	-	-	1,000	1,000	-
199	199	-	-	-	-	199	199	-
13,790	7,198	6,592	-	-	-	13,790	7,198	6,592
28,923	28,506	417	-	-	-	28,923	28,506	417
450	450	-	-	-	-	450	450	-
250	250	-	-	-	-	250	250	-
822	822	-	-	-	-	822	822	-
6,006	3,731	2,275	-	-	-	6,006	3,731	2,275
6,803	3,255	3,548	-	-	-	6,803	3,255	3,548
1,600	78	1,522	-	-	-	1,600	78	1,522
150	150	-	-	-	-	150	150	-
400	400	-	-	-	-	400	400	-
4,704,567	4,687,501	17,066	215,255	214,979	276	4,919,822	4,902,480	17,342
1,130	123	1,007	-	-	-	1,130	123	1,007
12,350	12,349	1	-	-	-	12,350	12,349	1
22,899	22,415	484	-	-	-	22,899	22,415	484
200	200	-	-	-	-	200	200	-
31,500	10,000	21,500	-	-	-	31,500	10,000	21,500

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Reading is Fundamental Program: Reading is Fundamental	-	-	-
School Nurses Program	-	-	-
Special Education Teacher Stipend: Special Education Teacher Stipend	-	-	-
Teacher Excellence & Accountability for Math & Science - 008	-	-	-
Transportation Program	-	-	-
TOTAL Education	**-**	**-**	**-**
Emergency Management Agency			
Readiness And Recovery	-	-	-
Readiness And Recovery: Administration	10,244	7,801	2,443
Readiness And Recovery: Federal Emergency Management Agency - Match	2,468	2,468	-
TOTAL Emergency Management Agency	**12,712**	**10,269**	**2,443**
Examiners of Public Accounts			
Legislative Support - Audit Service	10,919	10,919	-
TOTAL Examiners of Public Accounts	**10,919**	**10,919**	**-**
Finance			
Administrative Support Service	-	-	-
Administrative Support Service: Alabama Building Renovation Finance Authority	-	-	-
Administrative Support Service: Capitol Complex Maintenance and Repair	-	-	-
Administrative Support Service: Central Mail	500	500	-
Administrative Support Service: Real Property Education Trust Fund	-	-	-
Administrative Support Service: Space Management	3,102	1,328	1,774
Fiscal Management	-	-	-
Fiscal Management: Budget Office	3,603	1,534	2,069
Fiscal Management: Debt Management	-	-	-
Fiscal Management: Director's Office	1,821	518	1,303
State Capitol Program: Capitol	14,543	6,416	8,127
TOTAL Finance	**23,569**	**10,296**	**13,273**
Governor			
Criminal Investigation: Law Enforcement Fund	10	-	10
Executive Direction: Governor's BP Oil Spill	-	-	-
Executive Direction: Governor's Office	7,136	5,346	1,790
Executive Direction: Governor's Office of Education and Workforce Transformation	122	122	-
Executive Direction: Governor's Proclamation Expense	622	79	543
Executive Direction: National Governor's Conference	157	157	-
TOTAL Governor	**8,047**	**5,704**	**2,343**
Human Resources			
Human Services	-	-	-
Response to Negative Economic Impacts	-	-	-
TOTAL Human Resources	**-**	**-**	**-**
Labor			
Administrative Services	4,930	1,679	3,251
Employment Security	-	-	-
Industrial Safety and Accident Prevention	1,393	1,016	377
Regulation Workers Compensation	-	-	-
Regulatory Services	-	-	-
Response and Mitigation Expenses for COVID	-	-	-
TOTAL Labor	**6,323**	**2,695**	**3,628**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
120	-	120	-	-	-	120	-	120
90,002	89,334	668	-	-	-	90,002	89,334	668
7,904	7,881	23	-	-	-	7,904	7,881	23
-	-	-	140,872	87,418	53,454	140,872	87,418	53,454
453,740	453,622	118	-	-	-	453,740	453,622	118
6,403,766	**6,045,487**	**358,279**	**5,682,973**	**2,696,341**	**2,986,632**	**12,086,739**	**8,741,828**	**3,344,911**
-	-	-	160,072	57,314	102,758	160,072	57,314	102,758
-	-	-	-	-	-	10,244	7,801	2,443
-	-	-	-	-	-	2,468	2,468	-
-	**-**	**-**	**160,072**	**57,314**	**102,758**	**172,784**	**67,583**	**105,201**
10,854	10,854	-	8,154	6,039	2,115	29,927	27,812	2,115
10,854	**10,854**	**-**	**8,154**	**6,039**	**2,115**	**29,927**	**27,812**	**2,115**
-	-	-	68,365	54,933	13,432	68,365	54,933	13,432
-	-	-	23,159	17,001	6,158	23,159	17,001	6,158
-	-	-	11,854	7,255	4,599	11,854	7,255	4,599
-	-	-	-	-	-	500	500	-
469	40	429	-	-	-	469	40	429
-	-	-	-	-	-	3,102	1,328	1,774
-	-	-	22,237	18,030	4,207	22,237	18,030	4,207
285	260	25	-	-	-	3,888	1,794	2,094
236	189	47	-	-	-	236	189	47
-	-	-	-	-	-	1,821	518	1,303
-	-	-	-	-	-	14,543	6,416	8,127
990	**489**	**501**	**125,615**	**97,219**	**28,396**	**150,174**	**108,004**	**42,170**
-	-	-	-	-	-	10	-	10
-	-	-	530	-	530	530	-	530
-	-	-	-	-	-	7,136	5,346	1,790
-	-	-	-	-	-	122	122	-
-	-	-	-	-	-	622	79	543
-	-	-	-	-	-	157	157	-
-	**-**	**-**	**530**	**-**	**530**	**8,577**	**5,704**	**2,873**
-	-	-	3,164,946	3,011,807	153,139	3,164,946	3,011,807	153,139
-	-	-	5,700	-	5,700	5,700	-	5,700
-	**-**	**-**	**3,170,646**	**3,011,807**	**158,839**	**3,170,646**	**3,011,807**	**158,839**
-	-	-	35,517	16,433	19,084	40,447	18,112	22,335
5,000	-	5,000	156,288	62,699	93,589	161,288	62,699	98,589
-	-	-	49,744	13,542	36,202	51,137	14,558	36,579
-	-	-	10,802	4,983	5,819	10,802	4,983	5,819
-	-	-	4,581	2,391	2,190	4,581	2,391	2,190
-	-	-	412	412	-	412	412	-
5,000	**-**	**5,000**	**257,344**	**100,460**	**156,884**	**268,667**	**103,155**	**165,512**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Law Enforcement Agency			
Administrative Bureau	-	-	-
Department of Public Safety	-	-	-
Readiness And Recovery	-	-	-
State Bureau of Investigation	-	-	-
TOTAL Law Enforcement Agency	**-**	**-**	**-**
Legislature			
Commission to Reduce Poverty	7	-	7
Legislative Operations and Support	35,594	27,744	7,850
TOTAL Legislature	**35,601**	**27,744**	**7,857**
Medicaid Agency			
Medical Assistance Through Medicaid: Administrative Cost	24,880	21,942	2,938
Medical Assistance Through Medicaid: Alabama Coordinated Health Networks (ACHN)	-	-	-
Medical Assistance Through Medicaid: Alternative Care	53,999	43,937	10,062
Medical Assistance Through Medicaid: Family Planning	-	-	-
Medical Assistance Through Medicaid: Health Support	60,459	53,215	7,244
Medical Assistance Through Medicaid: Hospital Care	22,000	22,000	-
Medical Assistance Through Medicaid: Integrated Care Network (ICN)	-	-	-
Medical Assistance Through Medicaid: Medicaid-Children's Health Insurance Program	-	-	-
Medical Assistance Through Medicaid: Mental Health - Facilities	-	-	-
Medical Assistance Through Medicaid: Mental Health - Waivers	-	-	-
Medical Assistance Through Medicaid: Mental Health-Others Health Insurance	-	-	-
Medical Assistance Through Medicaid: Nursing Home Care	240,503	207,553	32,950
Medical Assistance Through Medicaid: Pharmaceutical	363,838	346,538	17,300
Medical Assistance Through Medicaid: Physician Care	194,288	176,154	18,134
Medical Assistance Through Medicaid: Premiums	163,562	162,762	800
TOTAL Medicaid Agency	**1,123,529**	**1,034,101**	**89,428**
Mental Health			
Administrative Services	-	-	-
Healthcare	-	-	-
Institutional Treatment and Care of Intellectually Disabled	-	-	-
Institutional Treatment and Care of Mentally Ill	-	-	-
Special Services	-	-	-
Substance Abuse Program	-	-	-
TOTAL Mental Health	**-**	**-**	**-**
Public Health			
Administrative Services	21,763	18,479	3,284
Alabama Medical Education Consortium Program	-	-	-
Children's Health Insurance	-	-	-
Emergency Medical Service Education	-	-	-
Family Practice Rural Health	-	-	-
Office of Emergency Medical Services	-	-	-
Primary Care Physician Residency Program	-	-	-
Public Health Services	56,466	49,447	7,019
Wastewater System Grant Program	-	-	-
TOTAL Public Health	**78,229**	**67,926**	**10,303**
Public Service Commission			
Regulatory Services	-	-	-
TOTAL Public Service Commission	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	103,920	71,075	32,845	103,920	71,075	32,845
-	-	-	164,023	129,932	34,091	164,023	129,932	34,091
-	-	-	227	-	227	227	-	227
-	-	-	72,169	47,705	24,464	72,169	47,705	24,464
-	**-**	**-**	**340,339**	**248,712**	**91,627**	**340,339**	**248,712**	**91,627**
-	-	-	-	-	-	7	-	7
11,918	2,211	9,707	-	-	-	47,512	29,955	17,557
11,918	**2,211**	**9,707**	**-**	**-**	**-**	**47,519**	**29,955**	**17,564**
-	-	-	375,613	326,527	49,086	400,493	348,469	52,024
-	-	-	55,448	46,765	8,683	55,448	46,765	8,683
-	-	-	531,190	500,702	30,488	585,189	544,639	40,550
-	-	-	60,622	33,031	27,591	60,622	33,031	27,591
-	-	-	370,689	337,031	33,658	431,148	390,246	40,902
-	-	-	3,303,184	3,177,480	125,704	3,325,184	3,199,480	125,704
-	-	-	60,904	60,789	115	60,904	60,789	115
-	-	-	263,408	231,185	32,223	263,408	231,185	32,223
-	-	-	10,497	2,865	7,632	10,497	2,865	7,632
-	-	-	630,602	578,160	52,442	630,602	578,160	52,442
-	-	-	131,441	121,737	9,704	131,441	121,737	9,704
-	-	-	1,167,399	1,076,606	90,793	1,407,902	1,284,159	123,743
-	-	-	791,980	743,123	48,857	1,155,818	1,089,661	66,157
-	-	-	719,882	670,968	48,914	914,170	847,122	67,048
-	-	-	509,113	452,337	56,776	672,675	615,099	57,576
-	**-**	**-**	**8,981,972**	**8,359,306**	**622,666**	**10,105,501**	**9,393,407**	**712,094**
-	-	-	46,929	37,346	9,583	46,929	37,346	9,583
-	-	-	1,786	1,786	-	1,786	1,786	-
-	-	-	780,172	772,618	7,554	780,172	772,618	7,554
-	-	-	561,420	537,354	24,066	561,420	537,354	24,066
-	-	-	38,639	23,799	14,840	38,639	23,799	14,840
-	-	-	184,194	106,271	77,923	184,194	106,271	77,923
-	**-**	**-**	**1,613,140**	**1,479,174**	**133,966**	**1,613,140**	**1,479,174**	**133,966**
1,180	1,109	71	31,601	28,531	3,070	54,544	48,119	6,425
385	385	-	-	-	-	385	385	-
-	-	-	461,592	456,085	5,507	461,592	456,085	5,507
1,636	1,580	56	-	-	-	1,636	1,580	56
3,615	2,708	907	-	-	-	3,615	2,708	907
1,000	1,000	-	-	-	-	1,000	1,000	-
800	800	-	-	-	-	800	800	-
16,887	16,368	519	784,582	557,341	227,241	857,935	623,156	234,779
-	-	-	4,896	393	4,503	4,896	393	4,503
25,503	**23,950**	**1,553**	**1,282,671**	**1,042,350**	**240,321**	**1,386,403**	**1,134,226**	**252,177**
-	-	-	21,512	16,269	5,243	21,512	16,269	5,243
-	**-**	**-**	**21,512**	**16,269**	**5,243**	**21,512**	**16,269**	**5,243**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Rehabilitation Services			
Direct Client Services-Handicap	-	-	-
Healthcare	-	-	-
TOTAL Rehabilitation Services	**-**	**-**	**-**
Revenue			
Education Savings Account Program	-	-	-
State Revenue Administration	113	45	68
TOTAL Revenue	**113**	**45**	**68**
Secretary of State			
Administrative Support Service	-	-	-
Administrative Support Service: Distribution of Public Documents	717	575	142
Administrative Support Service: Printing of Acts/Journals	50	11	39
Administrative Support Service: Printing of Codes	320	304	16
Special Services: Photo Voter Identification	1,322	1,133	189
Special Services: Training of Elected Officials	58	8	50
TOTAL Secretary of State	**2,467**	**2,031**	**436**
Transportation			
Electric Transportation Infrastructure Grant Program	-	-	-
General Administration	-	-	-
General Aviation and Aeronautics	-	-	-
Rebuild Alabama	-	-	-
Surface Transportation Improvements	-	-	-
TOTAL Transportation	**-**	**-**	**-**
Treasurer			
Fiscal Management	-	-	-
TOTAL Treasurer	**-**	**-**	**-**
Youth Services			
Community Educational Programs	-	-	-
Diversion Programs	-	-	-
Financial Assistance	-	-	-
Youth Services	-	-	-
TOTAL Youth Services	**-**	**-**	**-**
Universities and Training Institutes			
Alabama Agricultural and Mechanical University			
Support of State Universities: Agriculture Research Station Fixed Costs	-	-	-
Support of State Universities: Alabama A&M Agricultural Research Extension State Match	-	-	-
Support of State Universities: Alabama A&M:Miles College	-	-	-
Support of State Universities: Alabama A&M-Operations and Maintenance	-	-	-
Support of State Universities: Urban Affairs and Non-Traditional Program	-	-	-
Support of State Universities: Virginia Caples Learning Living Institute	-	-	-
Total Alabama Agricultural and Mechanical University	**-**	**-**	**-**
Alabama Institute for the Deaf and Blind			
Alabama Institute for the Deaf and Blind- Children and Youth	-	-	-
Total Alabama Institute for the Deaf and Blind	**-**	**-**	**-**
Alabama Institute for the Deaf and Blind - Adult Program			
Alabama Institute for the Deaf and Blind- Adult Programs	-	-	-
Total Alabama Institute for the Deaf and Blind - Adult Program	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
55,787	55,750	37	211,424	166,425	44,999	267,211	222,175	45,036
-	-	-	3,721	2,882	839	3,721	2,882	839
55,787	**55,750**	**37**	**215,145**	**169,307**	**45,838**	**270,932**	**225,057**	**45,875**
-	-	-	180,000	124,000	56,000	180,000	124,000	56,000
1,513	1,513	-	247,615	229,873	17,742	249,241	231,431	17,810
1,513	**1,513**	**-**	**427,615**	**353,873**	**73,742**	**429,241**	**355,431**	**73,810**
-	-	-	16,163	6,829	9,334	16,163	6,829	9,334
-	-	-	-	-	-	717	575	142
-	-	-	-	-	-	50	11	39
-	-	-	-	-	-	320	304	16
-	-	-	-	-	-	1,322	1,133	189
-	-	-	-	-	-	58	8	50
-	**-**	**-**	**16,163**	**6,829**	**9,334**	**18,630**	**8,860**	**9,770**
-	-	-	71	-	71	71	-	71
-	-	-	196,009	150,793	45,216	196,009	150,793	45,216
-	-	-	147,266	43,265	104,001	147,266	43,265	104,001
-	-	-	727,369	298,335	429,034	727,369	298,335	429,034
-	-	-	2,717,951	1,656,473	1,061,478	2,717,951	1,656,473	1,061,478
-	**-**	**-**	**3,788,666**	**2,148,866**	**1,639,800**	**3,788,666**	**2,148,866**	**1,639,800**
-	-	-	6,419	5,036	1,383	6,419	5,036	1,383
-	**-**	**-**	**6,419**	**5,036**	**1,383**	**6,419**	**5,036**	**1,383**
-	-	-	3,566	3,566	-	3,566	3,566	-
-	-	-	1,000	984	16	1,000	984	16
-	-	-	9,869	8,090	1,779	9,869	8,090	1,779
-	-	-	100,301	94,190	6,111	100,301	94,190	6,111
-	**-**	**-**	**114,736**	**106,830**	**7,906**	**114,736**	**106,830**	**7,906**
432	432	-	-	-	-	432	432	-
1,306	1,306	-	-	-	-	1,306	1,306	-
743	743	-	-	-	-	743	743	-
57,354	57,354	-	7,902	7,902	-	65,256	65,256	-
4,085	4,085	-	-	-	-	4,085	4,085	-
100	100	-	-	-	-	100	100	-
64,020	**64,020**	**-**	**7,902**	**7,902**	**-**	**71,922**	**71,922**	**-**
49,799	49,799	-	-	-	-	49,799	49,799	-
49,799	**49,799**	**-**	**-**	**-**	**-**	**49,799**	**49,799**	**-**
17,194	17,194	-	-	-	-	17,194	17,194	-
17,194	**17,194**	**-**	**-**	**-**	**-**	**17,194**	**17,194**	**-**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Alabama Institute for the Deaf and Blind - Industries			
Alabama Institute for the Deaf and Blind- Industries for the	-	-	-
Total Alabama Institute for the Deaf and Blind - Industries	-	-	-
Alabama State University			
Support of State Universities: Alabama State University-Operations and Maintenance	-	-	-
Total Alabama State University	-	-	-
Athens State University			
Support of State Universities: Athens State University	-	-	-
Total Athens State University	-	-	-
Auburn University - Agricultural Experiment Station			
Support of State Universities: Auburn/Agriculture Experiment Station	-	-	-
Total Auburn University - Agricultural Experiment Station	-	-	-
Auburn University - Alabama Cooperative Extension Service			
Support of State Universities: Auburn/Cooperative Extension Service	-	-	-
Total Auburn University - Alabama Cooperative Extension Service	-	-	-
Auburn University - Main Campus			
Support of State Universities: Auburn University System/Operations and Maintenance	-	-	-
Total Auburn University - Main Campus	-	-	-
Auburn University - Montgomery			
Support of State Universities: Auburn/AUM Operations and Maintenance	-	-	-
Total Auburn University - Montgomery	-	-	-
Fire College and Personnel Standards Commission			
Firefighters-Fire College: Alabama Fire College	-	-	-
Total Fire College and Personnel Standards Commission	-	-	-
Jacksonville State University			
Support of State Universities: Jacksonville State University/Operations and Maintenance	-	-	-
Total Jacksonville State University	-	-	-
Talladega College			
Support - Other Educational Activities	-	-	-
Total Talladega College	-	-	-
Troy University			
Support of State Universities: Troy State University System/Operations and Maintenance	-	-	-
Total Troy University	-	-	-
Tuskegee University			
Support - Other Educational Activities	-	-	-
Total Tuskegee University	-	-	-
University of Alabama - Birmingham			
Support of State Universities	-	-	-
Support of State Universities: Chauncey Sparks Center/University of Alabama at Birmingham	-	-	-
Support of State Universities: University Of Alabama-Birmingham/Operations and Maintenance	-	-	-
Total University of Alabama - Birmingham	-	-	-
University of Alabama - Huntsville			
Support of State Universities: University Of Alabama-Huntsville/Operations and Maintenance	-	-	-
Total University of Alabama - Huntsville	-	-	-
University of Alabama - Tuscaloosa			
Support of State Universities: University Of Alabama-Tuscaloosa/Operations and Maintenance	-	-	-
Total University of Alabama - Tuscaloosa	-	-	-
University of Montevallo			
Support of State Universities: University Of Montevallo-Operations and Maintenance	-	-	-
Total University of Montevallo	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
12,232	12,232	-	-	-	-	12,232	12,232	-
12,232	**12,232**	**-**	**-**	**-**	**-**	**12,232**	**12,232**	**-**
66,965	66,965	-	4,381	4,381	-	71,346	71,346	-
66,965	**66,965**	**-**	**4,381**	**4,381**	**-**	**71,346**	**71,346**	**-**
25,514	25,514	-	4,378	4,378	-	29,892	29,892	-
25,514	**25,514**	**-**	**4,378**	**4,378**	**-**	**29,892**	**29,892**	**-**
42,971	42,971	-	-	-	-	42,971	42,971	-
42,971	**42,971**	**-**	**-**	**-**	**-**	**42,971**	**42,971**	**-**
45,244	45,244	-	-	-	-	45,244	45,244	-
45,244	**45,244**	**-**	**-**	**-**	**-**	**45,244**	**45,244**	**-**
293,696	293,696	-	38,876	38,876	-	332,572	332,572	-
293,696	**293,696**	**-**	**38,876**	**38,876**	**-**	**332,572**	**332,572**	**-**
36,375	36,375	-	6,002	6,002	-	42,377	42,377	-
36,375	**36,375**	**-**	**6,002**	**6,002**	**-**	**42,377**	**42,377**	**-**
11,078	11,078	-	-	-	-	11,078	11,078	-
11,078	**11,078**	**-**	**-**	**-**	**-**	**11,078**	**11,078**	**-**
63,116	63,116	-	13,743	13,743	-	76,859	76,859	-
63,116	**63,116**	**-**	**13,743**	**13,743**	**-**	**76,859**	**76,859**	**-**
1,176	1,176	-	-	-	-	1,176	1,176	-
1,176	**1,176**	**-**	**-**	**-**	**-**	**1,176**	**1,176**	**-**
88,335	88,335	-	17,732	17,732	-	106,067	106,067	-
88,335	**88,335**	**-**	**17,732**	**17,732**	**-**	**106,067**	**106,067**	**-**
18,767	18,767	-	1,232	1,232	-	19,999	19,999	-
18,767	**18,767**	**-**	**1,232**	**1,232**	**-**	**19,999**	**19,999**	**-**
-	-	-	77	77	-	77	77	-
4,237	4,237	-	-	-	-	4,237	4,237	-
393,173	393,173	-	1,000	1,000	-	394,173	394,173	-
397,410	**397,410**	**-**	**1,077**	**1,077**	**-**	**398,487**	**398,487**	**-**
72,682	72,682	-	-	-	-	72,682	72,682	-
72,682	**72,682**	**-**	**-**	**-**	**-**	**72,682**	**72,682**	**-**
248,302	248,302	-	-	-	-	248,302	248,302	-
248,302	**248,302**	**-**	**-**	**-**	**-**	**248,302**	**248,302**	**-**
34,759	34,759	-	3,513	3,513	-	38,272	38,272	-
34,759	**34,759**	**-**	**3,513**	**3,513**	**-**	**38,272**	**38,272**	**-**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
University of North Alabama			
Support of State Universities: University of North Alabama/Operations and Maintenance	-	-	-
Total University of North Alabama	**-**	**-**	**-**
University of South Alabama			
Support of State Universities: University of South Alabama/Operations and Maintenance	-	-	-
Total University of South Alabama	**-**	**-**	**-**
University of West Alabama			
Support of State Universities: University Of West Alabama - Stillman College	-	-	-
Support of State Universities: University Of West Alabama/Operations and Maintenance	-	-	-
Total University of West Alabama	**-**	**-**	**-**
TOTAL Universities and Training Institutes	**-**	**-**	**-**
Other			
Accountancy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Accountancy Board	**-**	**-**	**-**
Agricultural Museum Board			
Agricultural Promotional Program	192	144	48
Total Agricultural Museum Board	**192**	**144**	**48**
Agriculture and Conservation Development Commission			
Water Resource Development	-	-	-
Total Agriculture and Conservation Development Commission	**-**	**-**	**-**
Alabama Athletic Commission			
Licensing, Regulation and Enforcement	-	-	-
Total Alabama Athletic Commission	**-**	**-**	**-**
Alabama Board of Genetic Counseling			
Professional and Occupational Licensing And Regulation	-	-	-
Total Alabama Board of Genetic Counseling	**-**	**-**	**-**
Alabama Commission on the Evaluation of Services			
Special Services	-	-	-
Total Alabama Commission on the Evaluation of Services	**-**	**-**	**-**
Alabama Historic Ironworks Commission			
Historical Resources Management	-	-	-
Total Alabama Historic Ironworks Commission	**-**	**-**	**-**
Alabama Innovation Fund			
Alabama Innovation Fund	-	-	-
Total Alabama Innovation Fund	**-**	**-**	**-**
Alabama Medical Cannabis Commission			
Professional and Occupational Licensure and Regulation	5,442	2,658	2,784
Total Alabama Medical Cannabis Commission	**5,442**	**2,658**	**2,784**
Alabama School of Cyber Techonology and Engineering			
Operations and Maintenance	-	-	-
Total Alabama School of Cyber Techonology and Engineering	**-**	**-**	**-**
Alabama School of Healthcare Sciences			
Financial Assistance	-	-	-
Total Alabama School of Healthcare Sciences	**-**	**-**	**-**
Alabama Security Regulatory Board			
Licensing, Regulation and Enforcement	-	-	-
Total Alabama Security Regulatory Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
59,224	59,224	-	13,203	13,203	-	72,427	72,427	-
59,224	**59,224**	**-**	**13,203**	**13,203**	**-**	**72,427**	**72,427**	**-**
177,039	177,039	-	17,910	17,910	-	194,949	194,949	-
177,039	**177,039**	**-**	**17,910**	**17,910**	**-**	**194,949**	**194,949**	**-**
200	200	-	-	-	-	200	200	-
35,223	35,223	-	8,678	8,678	-	43,901	43,901	-
35,423	**35,423**	**-**	**8,678**	**8,678**	**-**	**44,101**	**44,101**	**-**
1,861,321	**1,861,321**	**-**	**138,627**	**138,627**	**-**	**1,999,948**	**1,999,948**	**-**
-	-	-	2,219	1,934	285	2,219	1,934	285
-	**-**	**-**	**2,219**	**1,934**	**285**	**2,219**	**1,934**	**285**
-	-	-	-	-	-	192	144	48
-	**-**	**-**	**-**	**-**	**-**	**192**	**144**	**48**
-	-	-	4,450	1,820	2,630	4,450	1,820	2,630
-	**-**	**-**	**4,450**	**1,820**	**2,630**	**4,450**	**1,820**	**2,630**
-	-	-	275	151	124	275	151	124
-	**-**	**-**	**275**	**151**	**124**	**275**	**151**	**124**
-	-	-	95	46	49	95	46	49
-	**-**	**-**	**95**	**46**	**49**	**95**	**46**	**49**
2,507	864	1,643	-	-	-	2,507	864	1,643
2,507	**864**	**1,643**	**-**	**-**	**-**	**2,507**	**864**	**1,643**
-	-	-	2,421	-	2,421	2,421	-	2,421
-	**-**	**-**	**2,421**	**-**	**2,421**	**2,421**	**-**	**2,421**
34,270	34,270	-	-	-	-	34,270	34,270	-
34,270	**34,270**	**-**	**-**	**-**	**-**	**34,270**	**34,270**	**-**
-	-	-	1,500	-	1,500	6,942	2,658	4,284
-	**-**	**-**	**1,500**	**-**	**1,500**	**6,942**	**2,658**	**4,284**
16,545	16,545	-	-	-	-	16,545	16,545	-
16,545	**16,545**	**-**	**-**	**-**	**-**	**16,545**	**16,545**	**-**
15,000	15,000	-	-	-	-	15,000	15,000	-
15,000	**15,000**	**-**	**-**	**-**	**-**	**15,000**	**15,000**	**-**
-	-	-	950	937	13	950	937	13
-	**-**	**-**	**950**	**937**	**13**	**950**	**937**	**13**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Alabama Trust Fund			
Alabama Natural Heritage	-	-	-
Fiscal Management	20	20	-
Total Alabama Trust Fund	**20**	**20**	**-**
Alcoholic Beverage Control Board			
Administrative Services	-	-	-
Alcoholic Beverage Management	-	-	-
Licensing, Regulation and Enforcement	-	-	-
Total Alcoholic Beverage Control Board	**-**	**-**	**-**
American Legion Scholarships			
Financial Assistance: American Legion Scholarships	-	-	-
Total American Legion Scholarships	**-**	**-**	**-**
Architects Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Architects Registration Board	**-**	**-**	**-**
Archives and History			
Historical Resources Management	3,015	2,917	98
Total Archives and History	**3,015**	**2,917**	**98**
Assisted Living Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Assisted Living Examiners Board	**-**	**-**	**-**
Athlete Agent Regulatory Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athlete Agent Regulatory Commission	**-**	**-**	**-**
Athletic Trainers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athletic Trainers Board	**-**	**-**	**-**
Auctioneers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Auctioneers Board	**-**	**-**	**-**
Banking			
Charter Licensure and Regulation Financial	-	-	-
Total Banking	**-**	**-**	**-**
Board of Adjustment			
Special Services: Damage Claims-Board of Adjustment	21	6	15
Special Services: Death Claims-Board of Adjustment	2,263	2,161	102
Total Board of Adjustment	**2,284**	**2,167**	**117**
Board of Control-Public Employee Contribution			
Support of State Universities: University Of Alabama-BoT/Operations and Maintenance	-	-	-
Total Board of Control-Public Employee Contribution	**-**	**-**	**-**
Board of Cosmetology and Barbering			
Professional and Occupational Licensure and Regulation	-	-	-
Total Board of Cosmetology and Barbering	**-**	**-**	**-**
Bureau of Pardons and Paroles			
Administration of Pardons and Paroles	109,920	94,846	15,074
Total Bureau of Pardons and Paroles	**109,920**	**94,846**	**15,074**
Charter Schools Commission			
Administrative Services Program	-	-	-
Total Charter Schools Commission	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	3,000	2,753	247	3,000	2,753	247
-	-	-	-	-	-	20	20	-
-	**-**	**-**	**3,000**	**2,753**	**247**	**3,020**	**2,773**	**247**
-	-	-	23,657	15,421	8,236	23,657	15,421	8,236
-	-	-	104,876	90,388	14,488	104,876	90,388	14,488
-	-	-	14,210	8,790	5,420	14,210	8,790	5,420
-	**-**	**-**	**142,743**	**114,599**	**28,144**	**142,743**	**114,599**	**28,144**
113	43	70	-	-	-	113	43	70
113	**43**	**70**	**-**	**-**	**-**	**113**	**43**	**70**
-	-	-	633	518	115	633	518	115
-	**-**	**-**	**633**	**518**	**115**	**633**	**518**	**115**
14,403	10,145	4,258	1,822	363	1,459	19,240	13,425	5,815
14,403	**10,145**	**4,258**	**1,822**	**363**	**1,459**	**19,240**	**13,425**	**5,815**
-	-	-	181	128	53	181	128	53
-	**-**	**-**	**181**	**128**	**53**	**181**	**128**	**53**
-	-	-	20	12	8	20	12	8
-	**-**	**-**	**20**	**12**	**8**	**20**	**12**	**8**
-	-	-	150	71	79	150	71	79
-	**-**	**-**	**150**	**71**	**79**	**150**	**71**	**79**
-	-	-	275	163	112	275	163	112
-	**-**	**-**	**275**	**163**	**112**	**275**	**163**	**112**
-	-	-	20,901	18,204	2,697	20,901	18,204	2,697
-	**-**	**-**	**20,901**	**18,204**	**2,697**	**20,901**	**18,204**	**2,697**
-	-	-	-	-	-	21	6	15
-	-	-	-	-	-	2,263	2,161	102
-	**-**	**-**	**-**	**-**	**-**	**2,284**	**2,167**	**117**
54,287	54,287	-	80,045	80,045	-	134,332	134,332	-
54,287	**54,287**	**-**	**80,045**	**80,045**	**-**	**134,332**	**134,332**	**-**
-	-	-	3,925	3,494	431	3,925	3,494	431
-	**-**	**-**	**3,925**	**3,494**	**431**	**3,925**	**3,494**	**431**
-	-	-	14,020	3,094	10,926	123,940	97,940	26,000
-	**-**	**-**	**14,020**	**3,094**	**10,926**	**123,940**	**97,940**	**26,000**
1,976	1,158	818	-	-	-	1,976	1,158	818
1,976	**1,158**	**818**	**-**	**-**	**-**	**1,976**	**1,158**	**818**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Child Abuse & Neglect Prevention			
Social Services	-	-	-
Total Child Abuse & Neglect Prevention	**-**	**-**	**-**
Children Services Facilitation			
Human Services	-	-	-
Total Children Services Facilitation	**-**	**-**	**-**
Chiropractic Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Chiropractic Examiners Board	**-**	**-**	**-**
Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority			
Water Resource Development	629	312	317
Total Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority	**629**	**312**	**317**
Coalition Against Domestic Violence			
Non-State	170	170	-
Total Coalition Against Domestic Violence	**170**	**170**	**-**
Commerce			
Industrial Development: Alabama Department Of Commerce	42,434	39,693	2,741
Industrial Training: Alabama Industrial Development Training/ Development Program	-	-	-
Industrial Training: Alabama Industrial Development Training/ Training Program	-	-	-
Industrial Training: Alabama Industrial Development/ Workforce Development	-	-	-
Industrial Training: Marketing Campaign Technical Education	-	-	-
Industrial Training: Rural Marketing Campaign	-	-	-
Skills Enhancement/Employment Opportunities: Skills Enhancement	1,582	1,058	524
Total Commerce	**44,016**	**40,751**	**3,265**
Conservation and Natural Resources			
Administrative Services	-	-	-
Deepwater Horizon Oil Spill Restoration Program	-	-	-
Game and Fish	-	-	-
Marine Resources	-	-	-
Outdoor Recreation Sites and Services	1,875	1,875	-
State Land Management	-	-	-
Total Conservation and Natural Resources	**1,875**	**1,875**	**-**
Construction Recruitment			
Recruitment/Training Promotion	-	-	-
Total Construction Recruitment	**-**	**-**	**-**
Council on the Arts			
Fine Arts	-	-	-
Total Council on the Arts	**-**	**-**	**-**
Counseling Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Counseling Examiners Board	**-**	**-**	**-**
Court of Civil Appeals			
Court Operations	8,610	4,740	3,870
Total Court of Civil Appeals	**8,610**	**4,740**	**3,870**
Court of Criminal Appeals			
Court Operations	7,769	5,393	2,376
Total Court of Criminal Appeals	**7,769**	**5,393**	**2,376**
Court Reporting			
Professional and Occupational Licensure and Regulation	-	-	-
Total Court Reporting	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	30,926	29,723	1,203	30,926	29,723	1,203
-	**-**	**-**	**30,926**	**29,723**	**1,203**	**30,926**	**29,723**	**1,203**
-	-	-	4,907	2,837	2,070	4,907	2,837	2,070
-	**-**	**-**	**4,907**	**2,837**	**2,070**	**4,907**	**2,837**	**2,070**
-	-	-	985	838	147	985	838	147
-	**-**	**-**	**985**	**838**	**147**	**985**	**838**	**147**
-	-	-	1,079	54	1,025	1,708	366	1,342
-	**-**	**-**	**1,079**	**54**	**1,025**	**1,708**	**366**	**1,342**
-	-	-	-	-	-	170	170	-
-	**-**	**-**	**-**	**-**	**-**	**170**	**170**	**-**
1,550	1,229	321	6,050	698	5,352	50,034	41,620	8,414
8,639	8,639	-	-	-	-	8,639	8,639	-
8,682	8,682	-	-	-	-	8,682	8,682	-
67,930	67,930	-	-	-	-	67,930	67,930	-
900	900	-	-	-	-	900	900	-
400	400	-	-	-	-	400	400	-
-	-	-	57,185	35,055	22,130	58,767	36,113	22,654
88,101	**87,780**	**321**	**63,235**	**35,753**	**27,482**	**195,352**	**164,284**	**31,068**
-	-	-	12,659	10,697	1,962	12,659	10,697	1,962
-	-	-	165,883	63,974	101,909	165,883	63,974	101,909
-	-	-	66,935	52,931	14,004	66,935	52,931	14,004
-	-	-	23,575	11,597	11,978	23,575	11,597	11,978
-	-	-	74,617	69,834	4,783	76,492	71,709	4,783
-	-	-	148,002	29,416	118,586	148,002	29,416	118,586
-	**-**	**-**	**491,671**	**238,449**	**253,222**	**493,546**	**240,324**	**253,222**
-	-	-	1,950	1,794	156	1,950	1,794	156
-	**-**	**-**	**1,950**	**1,794**	**156**	**1,950**	**1,794**	**156**
16,207	12,413	3,794	974	974	-	17,181	13,387	3,794
16,207	**12,413**	**3,794**	**974**	**974**	**-**	**17,181**	**13,387**	**3,794**
-	-	-	975	669	306	975	669	306
-	**-**	**-**	**975**	**669**	**306**	**975**	**669**	**306**
-	-	-	-	-	-	8,610	4,740	3,870
-	**-**	**-**	**-**	**-**	**-**	**8,610**	**4,740**	**3,870**
-	-	-	-	-	-	7,769	5,393	2,376
-	**-**	**-**	**-**	**-**	**-**	**7,769**	**5,393**	**2,376**
-	-	-	200	58	142	200	58	142
-	**-**	**-**	**200**	**58**	**142**	**200**	**58**	**142**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Credit Union Administration			
Charter Licensure and Regulation Financial	-	-	-
Total Credit Union Administration	**-**	**-**	**-**
Crime Victims Compensation Commission			
Special Services	-	-	-
Total Crime Victims Compensation Commission	**-**	**-**	**-**
Dental Scholarships Awards Board			
Support - Other Educational Activities	-	-	-
Total Dental Scholarships Awards Board	**-**	**-**	**-**
Department of Corrections - Correctional Capital Improvement			
Correctional Facilities Maintenance Program	15,505	-	15,505
Total Department of Corrections - Correctional Capital Improvement	**15,505**	**-**	**15,505**
Dietetics and Nutritionists Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Dietetics and Nutritionists Examining Board	**-**	**-**	**-**
District Attorneys			
Court Operations	17,397	17,070	327
Total District Attorneys	**17,397**	**17,070**	**327**
Early Childhood Education			
Children's Policy Council	-	-	-
Social Services	-	-	-
Total Early Childhood Education	**-**	**-**	**-**
Educational Television Commission			
Educational Television	474	428	46
Total Educational Television Commission	**474**	**428**	**46**
Electrical Contractors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Electrical Contractors Board	**-**	**-**	**-**
Electronic Security Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Electronic Security Board	**-**	**-**	**-**
Endowments			
Debt Service: Auburn University Endowment	-	-	-
Debt Service: Grove Hill Endowment	-	-	-
Debt Service: University Of Alabama Endowment	-	-	-
Total Endowments	**-**	**-**	**-**
Environmental Management			
Environmental Management	-	-	-
Water and Sewer Emergency and High Need Grant Program	-	-	-
Water and Sewer Infrastructure Grant Program	-	-	-
Total Environmental Management	**-**	**-**	**-**
Ethics Commission			
Regulation of Public Officials and Employees	2,869	2,588	281
Total Ethics Commission	**2,869**	**2,588**	**281**
Finance - Teacher Unused Sick Leave			
Employee Benefits	-	-	-
Total Finance - Teacher Unused Sick Leave	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	6,537	2,227	4,310	6,537	2,227	4,310
-	**-**	**-**	**6,537**	**2,227**	**4,310**	**6,537**	**2,227**	**4,310**
-	-	-	5,088	3,589	1,499	5,088	3,589	1,499
-	**-**	**-**	**5,088**	**3,589**	**1,499**	**5,088**	**3,589**	**1,499**
871	871	-	-	-	-	871	871	-
871	**871**	**-**	**-**	**-**	**-**	**871**	**871**	**-**
-	-	-	-	-	-	15,505	-	15,505
-	**-**	**-**	**-**	**-**	**-**	**15,505**	**-**	**15,505**
-	-	-	400	340	60	400	340	60
-	**-**	**-**	**400**	**340**	**60**	**400**	**340**	**60**
-	-	-	32,369	32,366	3	49,766	49,436	330
-	**-**	**-**	**32,369**	**32,366**	**3**	**49,766**	**49,436**	**330**
-	-	-	1,873	1,764	109	1,873	1,764	109
239,104	238,147	957	24,181	19,178	5,003	263,285	257,325	5,960
239,104	**238,147**	**957**	**26,054**	**20,942**	**5,112**	**265,158**	**259,089**	**6,069**
18,970	11,024	7,946	1,800	954	846	21,244	12,406	8,838
18,970	**11,024**	**7,946**	**1,800**	**954**	**846**	**21,244**	**12,406**	**8,838**
-	-	-	1,225	480	745	1,225	480	745
-	**-**	**-**	**1,225**	**480**	**745**	**1,225**	**480**	**745**
-	-	-	475	469	6	475	469	6
-	**-**	**-**	**475**	**469**	**6**	**475**	**469**	**6**
20	20	-	-	-	-	20	20	-
1	1	-	-	-	-	1	1	-
61	61	-	-	-	-	61	61	-
82	**82**	**-**	**-**	**-**	**-**	**82**	**82**	**-**
-	-	-	97,748	83,827	13,921	97,748	83,827	13,921
-	-	-	279,076	93,683	185,393	279,076	93,683	185,393
-	-	-	257,707	100,840	156,867	257,707	100,840	156,867
-	**-**	**-**	**634,531**	**278,350**	**356,181**	**634,531**	**278,350**	**356,181**
-	-	-	-	-	-	2,869	2,588	281
-	**-**	**-**	**-**	**-**	**-**	**2,869**	**2,588**	**281**
2,500	1,324	1,176	-	-	-	2,500	1,324	1,176
2,500	**1,324**	**1,176**	**-**	**-**	**-**	**2,500**	**1,324**	**1,176**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Finance Special Appropriations			
Administration Service and Logistical Support: Removal of Prisoners	2,600	2,391	209
Criminal Investigation: Arrest of Absconding Felons	25	-	25
Executive Direction: Governors' Widow Retirement	6	-	6
Fiscal Management: Cash Management Improvement Act (CMIA)	1,247	1,247	-
Fiscal Management: Employee Suggestion Awards Program	73	-	73
Institutional Service Corrections: Emergency Prisoner Feeding Fund	-	-	-
Institutional Service Corrections: Feeding of Prisoners	13,774	12,965	809
Legal Advice And Legal Service: Automatic Appeal Expense	16	-	16
Legal Advice And Legal Service: Court Assessed Cost Not Otherwise Provided	265	223	42
Legal Advice And Legal Service: Law Enforcement Legal Defense	1	-	1
Special Services: Bridget Lee	50	50	-
Special Services: Court Assessed Cost Not Otherwise Provided	5,500	5,095	405
Special Services: Dandridge, Beniah	50	50	-
Special Services: Election Expenses	8,615	6,583	2,032
Special Services: Emergency Fund, Departmental	14,177	1,761	12,416
Special Services: Grimes, Dan	50	50	-
Special Services: Registration of Voters	4,255	3,690	565
Total Finance Special Appropriations	**50,704**	**34,105**	**16,599**
Finance Special Funds			
Administrative Cost Program	-	-	-
Appropriation Transfers	-	-	-
Appropriation Transfers: Refundable Tax Credit Fund	-	-	-
Financial Assistance: ARPA	-	-	-
Response to Negative Economic Impacts	-	-	-
Rural Hospital Program	-	-	-
Special Services	-	-	-
Total Finance Special Funds	**-**	**-**	**-**
Forensic Sciences			
Forensic Science Services	27,455	26,284	1,171
Total Forensic Sciences	**27,455**	**26,284**	**1,171**
Foresters Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Foresters Registration Board	**-**	**-**	**-**
Forestry Commission			
Forest Resources Protection and Development	-	-	-
Total Forestry Commission	**-**	**-**	**-**
Forever Wild Land Trust			
Administrative Services	-	-	-
Total Forever Wild Land Trust	**-**	**-**	**-**
Fringe Benefit Accounts			
Fringe Benefits: Judicial Retirement - General Fund Share	3,228	3,228	-
Total Fringe Benefit Accounts	**3,228**	**3,228**	**-**
Funeral Services Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Funeral Services Board	**-**	**-**	**-**
General Contractors Licensing Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total General Contractors Licensing Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	2,600	2,391	209
-	-	-	-	-	-	25	-	25
-	-	-	-	-	-	6	-	6
-	-	-	-	-	-	1,247	1,247	-
-	-	-	-	-	-	73	-	73
-	-	-	500	166	334	500	166	334
-	-	-	-	-	-	13,774	12,965	809
-	-	-	-	-	-	16	-	16
-	-	-	-	-	-	265	223	42
-	-	-	-	-	-	1	-	1
-	-	-	-	-	-	50	50	-
-	-	-	-	-	-	5,500	5,095	405
-	-	-	-	-	-	50	50	-
-	-	-	-	-	-	8,615	6,583	2,032
-	-	-	-	-	-	14,177	1,761	12,416
-	-	-	-	-	-	50	50	-
-	-	-	-	-	-	4,255	3,690	565
-	**-**	**-**	**500**	**166**	**334**	**51,204**	**34,271**	**16,933**
-	-	-	1,188	212	976	1,188	212	976
-	-	-	249,731	236,364	13,367	249,731	236,364	13,367
-	-	-	22,206	61	22,145	22,206	61	22,145
-	-	-	50,000	34,787	15,213	50,000	34,787	15,213
-	-	-	40	40	-	40	40	-
-	-	-	7,442	7,442	-	7,442	7,442	-
-	-	-	68,418	58,450	9,968	68,418	58,450	9,968
-	**-**	**-**	**399,025**	**337,356**	**61,669**	**399,025**	**337,356**	**61,669**
-	-	-	16,526	11,811	4,715	43,981	38,095	5,886
-	**-**	**-**	**16,526**	**11,811**	**4,715**	**43,981**	**38,095**	**5,886**
-	-	-	200	173	27	200	173	27
-	**-**	**-**	**200**	**173**	**27**	**200**	**173**	**27**
60	60	-	45,618	36,800	8,818	45,678	36,860	8,818
60	**60**	**-**	**45,618**	**36,800**	**8,818**	**45,678**	**36,860**	**8,818**
-	-	-	1,616	1,567	49	1,616	1,567	49
-	**-**	**-**	**1,616**	**1,567**	**49**	**1,616**	**1,567**	**49**
-	-	-	-	-	-	3,228	3,228	-
-	**-**	**-**	**-**	**-**	**-**	**3,228**	**3,228**	**-**
-	-	-	1,353	907	446	1,353	907	446
-	**-**	**-**	**1,353**	**907**	**446**	**1,353**	**907**	**446**
-	-	-	2,781	1,654	1,127	2,781	1,654	1,127
-	**-**	**-**	**2,781**	**1,654**	**1,127**	**2,781**	**1,654**	**1,127**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
General Obligation Debt Service and Reserve			
Debt Service	-	-	-
Debt Service: ACIFA 2022-A Debt Service	-	-	-
Debt Service: Alabama Incentives Finance Authority 2009-B Bonds	-	-	-
Debt Service: Alabama Incentives Finance Authority 2019-A Bonds	-	-	-
Debt Service: Alabama Incentives Finance Authority 2019-B Bonds	-	-	-
Debt Service: Debt Service-General Obligation 2016-A	-	-	-
Debt Service: Debt Service-General Obligation 2016-C	4,122	4,122	-
Debt Service: Debt Service-General Obligation 2022-A	-	-	-
Debt Service: General Obligation 2014-A Refunding Bonds	13,256	13,256	-
Debt Service: General Obligation 2018-A Debt Service	3,418	3,418	-
Debt Service: General Obligation 2018-B Debt Service	-	-	-
Total General Obligation Debt Service and Reserve	**20,796**	**20,796**	**-**
Geological Survey			
Mineral, Energy, and Water Resources	4,844	3,739	1,105
Total Geological Survey	**4,844**	**3,739**	**1,105**
Governor's Contingency Fund			
Executive Direction	-	-	-
Executive Direction: Governor's Contingency Fund	414	128	286
Total Governor's Contingency Fund	**414**	**128**	**286**
Governor's Mansion Authority			
Historical Resources Management	-	-	-
Total Governor's Mansion Authority	**-**	**-**	**-**
Governor's Office of Minority Affairs			
Executive Direction	1,870	1,635	235
Total Governor's Office of Minority Affairs	**1,870**	**1,635**	**235**
Governor's Office of Volunteer Services			
Executive Direction	181	45	136
Total Governor's Office of Volunteer Services	**181**	**45**	**136**
Governor's Office on Disability			
Executive Direction	665	86	579
Total Governor's Office on Disability	**665**	**86**	**579**
Health Planning and Development			
Health Planning Development and Regulation	353	8	345
Total Health Planning and Development	**353**	**8**	**345**
Hearing Instrument Dealers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Hearing Instrument Dealers Board	**-**	**-**	**-**
Heating, Air Conditioning, and Refrigeration Contractors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Heating, Air Conditioning, and Refrigeration Contractors Board	**-**	**-**	**-**
High School of Math and Science			
Financial Assistance	-	-	-
Total High School of Math and Science	**-**	**-**	**-**
Historical Commission			
Historical Resources Management: Capitol Preservation	-	-	-
Historical Resources Management: Confederate Park-Soldier Fund	-	-	-
Historical Resources Management: Historical Commission	-	-	-
Total Historical Commission	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	59,640	59,640	-	59,640	59,640	-
-	-	-	-	-	-	-	-	-
606	606	-	-	-	-	606	606	-
2,719	2,713	6	-	-	-	2,719	2,713	6
541	541	-	-	-	-	541	541	-
3,000	3,000	-	4,714	4,714	-	7,714	7,714	-
6,420	6,420	-	-	-	-	10,542	10,542	-
-	-	-	5,471	5,471	-	5,471	5,471	-
12,000	12,000	-	-	-	-	25,256	25,256	-
1,500	1,500	-	-	-	-	4,918	4,918	-
3,828	3,328	500	1,911	1,911	-	5,739	5,239	500
30,614	**30,108**	**506**	**71,736**	**71,736**	**-**	**123,146**	**122,640**	**506**
829	718	111	3,802	1,764	2,038	9,475	6,221	3,254
829	**718**	**111**	**3,802**	**1,764**	**2,038**	**9,475**	**6,221**	**3,254**
-	-	-	15	-	15	15	-	15
-	-	-	-	-	-	414	128	286
-	**-**	**-**	**15**	**-**	**15**	**429**	**128**	**301**
-	-	-	4,642	1,986	2,656	4,642	1,986	2,656
-	**-**	**-**	**4,642**	**1,986**	**2,656**	**4,642**	**1,986**	**2,656**
-	-	-	-	-	-	1,870	1,635	235
-	**-**	**-**	**-**	**-**	**-**	**1,870**	**1,635**	**235**
574	329	245	4,923	1,714	3,209	5,678	2,088	3,590
574	**329**	**245**	**4,923**	**1,714**	**3,209**	**5,678**	**2,088**	**3,590**
-	-	-	-	-	-	665	86	579
-	**-**	**-**	**-**	**-**	**-**	**665**	**86**	**579**
-	-	-	3,223	1,322	1,901	3,576	1,330	2,246
-	**-**	**-**	**3,223**	**1,322**	**1,901**	**3,576**	**1,330**	**2,246**
-	-	-	54	43	11	54	43	11
-	**-**	**-**	**54**	**43**	**11**	**54**	**43**	**11**
-	-	-	1,718	1,612	106	1,718	1,612	106
-	**-**	**-**	**1,718**	**1,612**	**106**	**1,718**	**1,612**	**106**
17,120	11,936	5,184	12	-	12	17,132	11,936	5,196
17,120	**11,936**	**5,184**	**12**	**-**	**12**	**17,132**	**11,936**	**5,196**
-	-	-	562	337	225	562	337	225
-	-	-	1,075	708	367	1,075	708	367
-	-	-	24,178	15,163	9,015	24,178	15,163	9,015
-	**-**	**-**	**25,815**	**16,208**	**9,607**	**25,815**	**16,208**	**9,607**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Home Builders Licensure Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Home Builders Licensure Board	**-**	**-**	**-**
Home Medical Equipment Services Provider Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Home Medical Equipment Services Provider Board	**-**	**-**	**-**
Indian Affairs Commission			
Social Services	572	393	179
Total Indian Affairs Commission	**572**	**393**	**179**
Insurance			
Regulatory Services	1,750	748	1,002
Total Insurance	**1,750**	**748**	**1,002**
Interior Design Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Interior Design Registration Board	**-**	**-**	**-**
Interpreters and Transliterators			
Professional and Occupational Licensure and Regulation	-	-	-
Total Interpreters and Transliterators	**-**	**-**	**-**
Judicial Inquiry Commission			
Administrative Services	1,486	876	610
Total Judicial Inquiry Commission	**1,486**	**876**	**610**
Landscape Architect Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Landscape Architect Examining Board	**-**	**-**	**-**
Legislative Council			
Legislative Operations and Support	42,153	39,736	2,417
Total Legislative Council	**42,153**	**39,736**	**2,417**
Legislative Services Agency			
Legislative Operations and Support	11,822	5,320	6,502
Total Legislative Services Agency	**11,822**	**5,320**	**6,502**
Lieutenant Governor			
Alabama K-12 Capital Grant Program	-	-	-
Commission on 21st Century Workforce	-	-	-
Legislative Operations and Support	1,030	619	411
Total Lieutenant Governor	**1,030**	**619**	**411**
Liquefied Petroleum Gas Board			
Regulatory Services	-	-	-
Total Liquefied Petroleum Gas Board	**-**	**-**	**-**
Lyman Ward Military Academy			
Support - Other Educational Activities	-	-	-
Total Lyman Ward Military Academy	**-**	**-**	**-**
Manufactured Housing Commission			
Regulatory Services	-	-	-
Total Manufactured Housing Commission	**-**	**-**	**-**
Marine Environmental Sciences Consortium			
Support - Other Educational Activities	-	-	-
Total Marine Environmental Sciences Consortium	**-**	**-**	**-**
Marriage and Family Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Marriage and Family Therapy Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	5,655	3,411	2,244	5,655	3,411	2,244
-	**-**	**-**	**5,655**	**3,411**	**2,244**	**5,655**	**3,411**	**2,244**
-	-	-	356	123	233	356	123	233
-	**-**	**-**	**356**	**123**	**233**	**356**	**123**	**233**
8	-	8	-	-	-	580	393	187
8	**-**	**8**	**-**	**-**	**-**	**580**	**393**	**187**
-	-	-	86,575	50,454	36,121	88,325	51,202	37,123
-	**-**	**-**	**86,575**	**50,454**	**36,121**	**88,325**	**51,202**	**37,123**
-	-	-	50	36	14	50	36	14
-	**-**	**-**	**50**	**36**	**14**	**50**	**36**	**14**
-	-	-	95	55	40	95	55	40
-	**-**	**-**	**95**	**55**	**40**	**95**	**55**	**40**
-	-	-	-	-	-	1,486	876	610
-	**-**	**-**	**-**	**-**	**-**	**1,486**	**876**	**610**
-	-	-	95	74	21	95	74	21
-	**-**	**-**	**95**	**74**	**21**	**95**	**74**	**21**
37,500	37,500	-	-	-	-	79,653	77,236	2,417
37,500	**37,500**	**-**	**-**	**-**	**-**	**79,653**	**77,236**	**2,417**
6,781	3,678	3,103	766	221	545	19,369	9,219	10,150
6,781	**3,678**	**3,103**	**766**	**221**	**545**	**19,369**	**9,219**	**10,150**
-	-	-	30,407	30,407	-	30,407	30,407	-
507	159	348	-	-	-	507	159	348
-	-	-	-	-	-	1,030	619	411
507	**159**	**348**	**30,407**	**30,407**	**-**	**31,944**	**31,185**	**759**
-	-	-	2,160	1,506	654	2,160	1,506	654
-	**-**	**-**	**2,160**	**1,506**	**654**	**2,160**	**1,506**	**654**
409	409	-	-	-	-	409	409	-
409	**409**	**-**	**-**	**-**	**-**	**409**	**409**	**-**
-	-	-	4,417	3,127	1,290	4,417	3,127	1,290
-	**-**	**-**	**4,417**	**3,127**	**1,290**	**4,417**	**3,127**	**1,290**
13,250	13,250	-	-	-	-	13,250	13,250	-
13,250	**13,250**	**-**	**-**	**-**	**-**	**13,250**	**13,250**	**-**
-	-	-	100	54	46	100	54	46
-	**-**	**-**	**100**	**54**	**46**	**100**	**54**	**46**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Massage Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Massage Therapy Board	**-**	**-**	**-**
Medical Scholarships Awards Board			
Support - Other Educational Activities	-	-	-
Total Medical Scholarships Awards Board	**-**	**-**	**-**
Military			
Military Operations: Active Military Service	2,377	1,662	715
Military Operations: Air National Guard Operations and Maintenance	2,178	1,183	995
Military Operations: Counter Drug	-	-	-
Military Operations: Military Billeting	-	-	-
Military Operations: Operations	5,392	2,002	3,390
Military Operations: Operations and Maintenance	13,263	7,458	5,805
Total Military	**23,210**	**12,305**	**10,905**
Music Hall of Fame			
Fine Arts	-	-	-
Total Music Hall of Fame	**-**	**-**	**-**
Nursing Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Nursing Board	**-**	**-**	**-**
Nursing Home Administration Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Nursing Home Administration Examining Board	**-**	**-**	**-**
Occupational Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Occupational Therapy Board	**-**	**-**	**-**
Office of Information Technology			
Administrative Support Service	-	-	-
Total Office of Information Technology	**-**	**-**	**-**
Office of Prosecution Services			
Prosecution Training Education and Management	1,183	1,156	27
Total Office of Prosecution Services	**1,183**	**1,156**	**27**
Oil and Gas Board			
Management and Regulation of Oil and Gas Exploration/Develop	4,924	3,580	1,344
Total Oil and Gas Board	**4,924**	**3,580**	**1,344**
Onsite Wastewater Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Onsite Wastewater Board	**-**	**-**	**-**
Optometric Scholarships Awards			
Support - Other Educational Activities	-	-	-
Total Optometric Scholarships Awards	**-**	**-**	**-**
Optometry Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Optometry Board	**-**	**-**	**-**
Peace Officer Annuity and Benefits			
Retirement Systems	-	-	-
Total Peace Officer Annuity and Benefits	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	425	192	233	425	192	233
-	**-**	**-**	**425**	**192**	**233**	**425**	**192**	**233**
2,440	1,975	465	400	-	400	2,840	1,975	865
2,440	**1,975**	**465**	**400**	**-**	**400**	**2,840**	**1,975**	**865**
-	-	-	-	-	-	2,377	1,662	715
-	-	-	9,263	7,375	1,888	11,441	8,558	2,883
-	-	-	49	22	27	49	22	27
-	-	-	1,486	939	547	1,486	939	547
-	-	-	-	-	-	5,392	2,002	3,390
-	-	-	61,642	52,902	8,740	74,905	60,360	14,545
-	**-**	**-**	**72,440**	**61,238**	**11,202**	**95,650**	**73,543**	**22,107**
485	239	246	675	444	231	1,160	683	477
485	**239**	**246**	**675**	**444**	**231**	**1,160**	**683**	**477**
769	755	14	10,785	9,969	816	11,554	10,724	830
769	**755**	**14**	**10,785**	**9,969**	**816**	**11,554**	**10,724**	**830**
-	-	-	118	88	30	118	88	30
-	**-**	**-**	**118**	**88**	**30**	**118**	**88**	**30**
-	-	-	338	232	106	338	232	106
-	**-**	**-**	**338**	**232**	**106**	**338**	**232**	**106**
-	-	-	86,665	70,738	15,927	86,665	70,738	15,927
-	**-**	**-**	**86,665**	**70,738**	**15,927**	**86,665**	**70,738**	**15,927**
-	-	-	5,257	2,425	2,832	6,440	3,581	2,859
-	**-**	**-**	**5,257**	**2,425**	**2,832**	**6,440**	**3,581**	**2,859**
-	-	-	7,718	754	6,964	12,642	4,334	8,308
-	**-**	**-**	**7,718**	**754**	**6,964**	**12,642**	**4,334**	**8,308**
-	-	-	588	530	58	588	530	58
-	**-**	**-**	**588**	**530**	**58**	**588**	**530**	**58**
200	200	-	-	-	-	200	200	-
200	**200**	**-**	**-**	**-**	**-**	**200**	**200**	**-**
-	-	-	404	180	224	404	180	224
-	**-**	**-**	**404**	**180**	**224**	**404**	**180**	**224**
-	-	-	1,386	667	719	1,386	667	719
-	**-**	**-**	**1,386**	**667**	**719**	**1,386**	**667**	**719**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Peace Officer Standards and Training			
Certified Law Enforcement Academy Program	-	-	-
Professional and Occupational Licensure and Regulation	3,046	408	2,638
Total Peace Officer Standards and Training	**3,046**	**408**	**2,638**
Personnel			
Administrative Support Service	500	350	150
Total Personnel	**500**	**350**	**150**
Physical Fitness Commission			
Advisory Services	-	-	-
Total Physical Fitness Commission	**-**	**-**	**-**
Physical Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Physical Therapy Board	**-**	**-**	**-**
Plumbers and Gas Fitters Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Plumbers and Gas Fitters Examining Board	**-**	**-**	**-**
Podiatry Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Podiatry Board	**-**	**-**	**-**
Polygraph Examiners			
Professional and Occupational Licensure and Regulation	-	-	-
Total Polygraph Examiners	**-**	**-**	**-**
President Pro Tempore Senate			
Legislative Operations and Support	2,923	2,216	707
Total President Pro Tempore Senate	**2,923**	**2,216**	**707**
Private Investigation Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Private Investigation Board	**-**	**-**	**-**
Professional Bail Bonding Board			
Professional and Occupational Licensing And Regulation	-	-	-
Total Professional Bail Bonding Board	**-**	**-**	**-**
Professional Engineers and Land Surveyors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Professional Engineers and Land Surveyors Board	**-**	**-**	**-**
Professional Geologists Licensing Board			
Mineral, Energy, and Water Resources	-	-	-
Total Professional Geologists Licensing Board	**-**	**-**	**-**
Prosthetists and Orthotists Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Prosthetists and Orthotists Board	**-**	**-**	**-**
Psychology Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Psychology Examiners Board	**-**	**-**	**-**
Public Education Employees Health Insurance Board			
Administrative Support Service	-	-	-
Total Public Education Employees Health Insurance Board	**-**	**-**	**-**
Public Library Service			
Public Library Services	-	-	-
Total Public Library Service	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
2,030	1,640	390	300	140	160	2,330	1,780	550
544	497	47	1,946	1,085	861	5,536	1,990	3,546
2,574	**2,137**	**437**	**2,246**	**1,225**	**1,021**	**7,866**	**3,770**	**4,096**
-	-	-	14,959	12,985	1,974	15,459	13,335	2,124
-	**-**	**-**	**14,959**	**12,985**	**1,974**	**15,459**	**13,335**	**2,124**
2,601	2,600	1	9	4	5	2,610	2,604	6
2,601	**2,600**	**1**	**9**	**4**	**5**	**2,610**	**2,604**	**6**
-	-	-	681	542	139	681	542	139
-	**-**	**-**	**681**	**542**	**139**	**681**	**542**	**139**
-	-	-	2,470	2,080	390	2,470	2,080	390
-	**-**	**-**	**2,470**	**2,080**	**390**	**2,470**	**2,080**	**390**
-	-	-	120	93	27	120	93	27
-	**-**	**-**	**120**	**93**	**27**	**120**	**93**	**27**
-	-	-	40	21	19	40	21	19
-	**-**	**-**	**40**	**21**	**19**	**40**	**21**	**19**
-	-	-	-	-	-	2,923	2,216	707
-	**-**	**-**	**-**	**-**	**-**	**2,923**	**2,216**	**707**
-	-	-	242	112	130	242	112	130
-	**-**	**-**	**242**	**112**	**130**	**242**	**112**	**130**
-	-	-	250	135	115	250	135	115
-	**-**	**-**	**250**	**135**	**115**	**250**	**135**	**115**
-	-	-	2,303	1,352	951	2,303	1,352	951
-	**-**	**-**	**2,303**	**1,352**	**951**	**2,303**	**1,352**	**951**
-	-	-	75	64	11	75	64	11
-	**-**	**-**	**75**	**64**	**11**	**75**	**64**	**11**
-	-	-	250	127	123	250	127	123
-	**-**	**-**	**250**	**127**	**123**	**250**	**127**	**123**
-	-	-	764	355	409	764	355	409
-	**-**	**-**	**764**	**355**	**409**	**764**	**355**	**409**
-	-	-	5,974	5,495	479	5,974	5,495	479
-	**-**	**-**	**5,974**	**5,495**	**479**	**5,974**	**5,495**	**479**
14,439	14,232	207	3,118	2,691	427	17,557	16,923	634
14,439	**14,232**	**207**	**3,118**	**2,691**	**427**	**17,557**	**16,923**	**634**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Real Estate Appraisers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Real Estate Appraisers Board	**-**	**-**	**-**
Real Estate Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Total Real Estate Commission	**-**	**-**	**-**
Respiratory Therapy			
Professional and Occupational Licensure and Regulation	-	-	-
Total Respiratory Therapy	**-**	**-**	**-**
Retirement Systems of Alabama			
Retirement Systems	-	-	-
Total Retirement Systems of Alabama	**-**	**-**	**-**
School of Fine Arts			
Financial Assistance	-	-	-
Total School of Fine Arts	**-**	**-**	**-**
Securities Commission			
Regulatory Services	-	-	-
Total Securities Commission	**-**	**-**	**-**
Senior Services			
Elderly Medication Program	1,780	1,747	33
Medicaid Waiver Services	34,421	30,112	4,309
Planning and Advocacy for Elderly	17,185	16,852	333
Total Senior Services	**53,386**	**48,711**	**4,675**
Sickle Cell Oversight Commission			
Support - Other Educational Activities	-	-	-
Total Sickle Cell Oversight Commission	**-**	**-**	**-**
Social Work Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Social Work Examiners Board	**-**	**-**	**-**
Soil and Water Conservation Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Water Resource Development	4,106	4,045	61
Total Soil and Water Conservation Commission	**4,106**	**4,045**	**61**
Space Science Exhibit Commission and Finance Authority			
Special Services	-	-	-
Total Space Science Exhibit Commission and Finance Authority	**-**	**-**	**-**
Speaker of the House			
Speaker Of House, Office Of	4,040	1,586	2,454
Total Speaker of the House	**4,040**	**1,586**	**2,454**
Speech Pathologists and Audiologists Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Speech Pathologists and Audiologists Examining Board	**-**	**-**	**-**
State Bar Association			
Professional and Occupational Licensure and Regulation	-	-	-
Total State Bar Association	**-**	**-**	**-**
State Board of Midwifery			
Alabama State Board of Midwifery	-	-	-
Total State Board of Midwifery	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	1,470	803	667	1,470	803	667
-	**-**	**-**	**1,470**	**803**	**667**	**1,470**	**803**	**667**
-	-	-	5,767	4,554	1,213	5,767	4,554	1,213
-	**-**	**-**	**5,767**	**4,554**	**1,213**	**5,767**	**4,554**	**1,213**
-	-	-	350	181	169	350	181	169
-	**-**	**-**	**350**	**181**	**169**	**350**	**181**	**169**
-	-	-	73,629	67,400	6,229	73,629	67,400	6,229
-	**-**	**-**	**73,629**	**67,400**	**6,229**	**73,629**	**67,400**	**6,229**
16,075	16,075	-	-	-	-	16,075	16,075	-
16,075	**16,075**	**-**	**-**	**-**	**-**	**16,075**	**16,075**	**-**
-	-	-	47,015	11,360	35,655	47,015	11,360	35,655
-	**-**	**-**	**47,015**	**11,360**	**35,655**	**47,015**	**11,360**	**35,655**
-	-	-	-	-	-	1,780	1,747	33
-	-	-	217,076	182,187	34,889	251,497	212,299	39,198
-	-	-	51,323	34,961	16,362	68,508	51,813	16,695
-	**-**	**-**	**268,399**	**217,148**	**51,251**	**321,785**	**265,859**	**55,926**
1,983	1,905	78	-	-	-	1,983	1,905	78
1,983	**1,905**	**78**	**-**	**-**	**-**	**1,983**	**1,905**	**78**
-	-	-	445	356	89	445	356	89
-	**-**	**-**	**445**	**356**	**89**	**445**	**356**	**89**
-	-	-	14	-	14	14	-	14
-	-	-	31,271	5,284	25,987	35,377	9,329	26,048
-	**-**	**-**	**31,285**	**5,284**	**26,001**	**35,391**	**9,329**	**26,062**
5,000	5,000	-	-	-	-	5,000	5,000	-
5,000	**5,000**	**-**	**-**	**-**	**-**	**5,000**	**5,000**	**-**
-	-	-	-	-	-	4,040	1,586	2,454
-	**-**	**-**	**-**	**-**	**-**	**4,040**	**1,586**	**2,454**
-	-	-	329	201	128	329	201	128
-	**-**	**-**	**329**	**201**	**128**	**329**	**201**	**128**
-	-	-	7,073	5,547	1,526	7,073	5,547	1,526
-	**-**	**-**	**7,073**	**5,547**	**1,526**	**7,073**	**5,547**	**1,526**
-	-	-	25	8	17	25	8	17
-	**-**	**-**	**25**	**8**	**17**	**25**	**8**	**17**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
State Employees Insurance Board			
Administrative Support Service	-	-	-
Fringe Benefits	-	-	-
Total State Employees Insurance Board	**-**	**-**	**-**
State Executive Community Services Grants Commission			
Alabama Community Service Grant: House of Representatives	-	-	-
Alabama Community Service Grant: Senate	-	-	-
Total State Executive Community Services Grants Commission	**-**	**-**	**-**
State Industrial Development Authority			
Industrial Development	-	-	-
Total State Industrial Development Authority	**-**	**-**	**-**
Supercomputer Authority			
Information Technology Services	-	-	-
Total Supercomputer Authority	**-**	**-**	**-**
Supreme Court			
Court Operations	16,869	15,727	1,142
Total Supreme Court	**16,869**	**15,727**	**1,142**
Supreme Court Law Library			
Court Operations	1,194	1,172	22
Public Education Services	-	-	-
Total Supreme Court Law Library	**1,194**	**1,172**	**22**
Surface Mining Commission			
Industrial Safety and Accident Prevention	-	-	-
Total Surface Mining Commission	**-**	**-**	**-**
Tax Tribunal			
Administrative Services	-	-	-
Total Tax Tribunal	**-**	**-**	**-**
Tennessee - Tombigbee Waterway Authority			
Water Resource Development	105	105	-
Total Tennessee - Tombigbee Waterway Authority	**105**	**105**	**-**
Tourism			
Tourism and Travel Promotion	14,542	14,088	454
Total Tourism	**14,542**	**14,088**	**454**
Veterans Affairs			
Administration of Veterans Affairs	5,079	3,327	1,752
Student Financial Aid	-	-	-
Veterans Cemetery	-	-	-
Veterans Homes	-	-	-
Total Veterans Affairs	**5,079**	**3,327**	**1,752**
Veterinarian Medical Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Veterinarian Medical Examiners Board	**-**	**-**	**-**
Women's Commission			
Employment and Social Opportunities	110	47	63
Total Women's Commission	**110**	**47**	**63**
TOTAL Other	**524,727**	**422,648**	**102,079**
TOTAL EXPENDITURES	**$ 2,881,968**	**$ 2,595,114**	**$ 286,854**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	8,931	6,089	2,842	8,931	6,089	2,842
-	-	-	1,924	1,924	-	1,924	1,924	-
-	**-**	**-**	**10,855**	**8,013**	**2,842**	**10,855**	**8,013**	**2,842**
10,934	10,892	42	-	-	-	10,934	10,892	42
10,917	10,902	15	-	-	-	10,917	10,902	15
21,851	**21,794**	**57**	**-**	**-**	**-**	**21,851**	**21,794**	**57**
-	-	-	44,265	15,620	28,645	44,265	15,620	28,645
-	**-**	**-**	**44,265**	**15,620**	**28,645**	**44,265**	**15,620**	**28,645**
-	-	-	35,649	25,772	9,877	35,649	25,772	9,877
-	**-**	**-**	**35,649**	**25,772**	**9,877**	**35,649**	**25,772**	**9,877**
-	-	-	-	-	-	16,869	15,727	1,142
-	**-**	**-**	**-**	**-**	**-**	**16,869**	**15,727**	**1,142**
603	602	1	-	-	-	1,797	1,774	23
150	102	48	-	-	-	150	102	48
753	**704**	**49**	**-**	**-**	**-**	**1,947**	**1,876**	**71**
-	-	-	11,333	3,272	8,061	11,333	3,272	8,061
-	**-**	**-**	**11,333**	**3,272**	**8,061**	**11,333**	**3,272**	**8,061**
-	-	-	2,465	1,012	1,453	2,465	1,012	1,453
-	**-**	**-**	**2,465**	**1,012**	**1,453**	**2,465**	**1,012**	**1,453**
-	-	-	-	-	-	105	105	-
-	**-**	**-**	**-**	**-**	**-**	**105**	**105**	**-**
-	-	-	31,394	28,020	3,374	45,936	42,108	3,828
-	**-**	**-**	**31,394**	**28,020**	**3,374**	**45,936**	**42,108**	**3,828**
3,126	2,782	344	11,310	6,054	5,256	19,515	12,163	7,352
45,000	43,520	1,480	-	-	-	45,000	43,520	1,480
-	-	-	997	703	294	997	703	294
-	-	-	167,083	104,218	62,865	167,083	104,218	62,865
48,126	**46,302**	**1,824**	**179,390**	**110,975**	**68,415**	**232,595**	**160,604**	**71,991**
-	-	-	787	694	93	787	694	93
-	**-**	**-**	**787**	**694**	**93**	**787**	**694**	**93**
-	-	-	59	2	57	169	49	120
-	**-**	**-**	**59**	**2**	**57**	**169**	**49**	**120**
729,884	**696,018**	**33,866**	**3,271,925**	**2,136,445**	**1,135,480**	**4,526,536**	**3,255,111**	**1,271,425**
$ 9,858,698	**$ 9,410,211**	**$ 448,487**	**$ 31,162,739**	**$ 23,004,655**	**$ 8,158,084**	**$ 43,903,405**	**$ 35,009,980**	**$ 8,893,425**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2025
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
TRANSFERS OUT:			
Education Trust Fund Transfers			
Advancement in Tech Fund Transfer	-	-	-
Alabama Broadband Accessibility Funds	-	-	-
Alabama Commission on Higher Education	-	-	-
Budget Stabilization Transfer	-	-	-
Child Abuse Board	-	-	-
Department of Rehabilitation Services	-	-	-
Educational Opportunities Reserve Fund	-	-	-
Historical Commission	-	-	-
Human Resources	-	-	-
Mental Health	-	-	-
Public School Fund Endowment	-	-	-
Revenue Department	-	-	-
State Department of Education- Science in Motion	-	-	-
State Law Enforcement	-	-	-
Supercomputer Authority	-	-	-
Teacher Excellence & Accountability for Math & Science	-	-	-
Youth Services	-	-	-
TOTAL Education Trust Fund Transfers	**-**	**-**	**-**
General Fund Transfers			
Agricultural and Conservation Development Commission	2,809	2,809	-
Alabama Department of Environmental Management-Operations	28,100	28,100	-
Building Renovation Finance Authority	1,488	1,488	-
Child Abuse Board	567	567	-
Crime Victims Compensation Commission	1,500	1,500	-
District Attorney	32,260	32,260	-
Emergency Forest Fire Fund	250	250	-
Emergency Prisoner Feeding Fund	500	51	449
Fair Trial Tax Transfer	85,693	85,693	-
Forestry Commission	18,214	18,214	-
Governor's Mansion Authority	1,095	1,095	-
Health Dept. CHIP - GF Transfer	56,769	56,769	-
Historical Commission	5,450	5,450	-
Human Resources	146,058	146,058	-
Local Emergency Management Agency Assistance	610	610	-
Local Government Pistol Permit Revenue Loss	5,000	5,000	-
Mental Health	239,763	239,763	-
Office of Information Technology	2,927	2,927	-
Revenue Department	250	250	-
State Law Enforcement	135,160	135,160	-
Surface Mining Commission	1,018	1,018	-
Wynfield	836	836	-
Youth Services	8,376	8,376	-
TOTAL General Fund Transfers	**774,693**	**774,244**	**449**
TOTAL TRANSFERS OUT	**$ 774,693**	**$ 774,244**	**$ 449**
TOTAL EXPENDITURES AND TRANSFERS OUT	**$ 3,656,661**	**$ 3,369,358**	**$ 287,303**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
873,794	873,794	-	-	-	-	873,794	873,794	-
5,000	5,000	-	-	-	-	5,000	5,000	-
5,747	5,747	-	-	-	-	5,747	5,747	-
113,169	113,169	-	-	-	-	113,169	113,169	-
9,931	9,931	-	-	-	-	9,931	9,931	-
1,000	1,000	-	-	-	-	1,000	1,000	-
349,518	349,518	-	-	-	-	349,518	349,518	-
12,812	12,812	-	-	-	-	12,812	12,812	-
101,954	101,954	-	-	-	-	101,954	101,954	-
79,072	79,072	-	-	-	-	79,072	79,072	-
533	533	-	-	-	-	533	533	-
50,000	50,000	-	-	-	-	50,000	50,000	-
2,584	2,584	-	-	-	-	2,584	2,584	-
5,850	5,850	-	-	-	-	5,850	5,850	-
24,909	24,909	-	-	-	-	24,909	24,909	-
80,000	80,000	-	-	-	-	80,000	80,000	-
62,920	62,920	-	-	-	-	62,920	62,920	-
1,778,793	**1,778,793**	**-**	**-**	**-**	**-**	**1,778,793**	**1,778,793**	**-**
-	-	-	-	-	-	2,809	2,809	-
-	-	-	-	-	-	28,100	28,100	-
-	-	-	-	-	-	1,488	1,488	-
-	-	-	-	-	-	567	567	-
-	-	-	-	-	-	1,500	1,500	-
-	-	-	-	-	-	32,260	32,260	-
-	-	-	-	-	-	250	250	-
-	-	-	-	-	-	500	51	449
-	-	-	-	-	-	85,693	85,693	-
-	-	-	-	-	-	18,214	18,214	-
-	-	-	-	-	-	1,095	1,095	-
-	-	-	-	-	-	56,769	56,769	-
-	-	-	-	-	-	5,450	5,450	-
-	-	-	-	-	-	146,058	146,058	-
-	-	-	-	-	-	610	610	-
-	-	-	-	-	-	5,000	5,000	-
-	-	-	-	-	-	239,763	239,763	-
-	-	-	-	-	-	2,927	2,927	-
-	-	-	-	-	-	250	250	-
-	-	-	-	-	-	135,160	135,160	-
-	-	-	-	-	-	1,018	1,018	-
-	-	-	-	-	-	836	836	-
-	-	-	-	-	-	8,376	8,376	-
-	**-**	**-**	**-**	**-**	**-**	**774,693**	**774,244**	**449**
$ 1,778,793	**$ 1,778,793**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,553,486**	**$ 2,553,037**	**$ 449**
$ 11,637,491	**$ 11,189,004**	**$ 448,487**	**$ 31,162,739**	**$ 23,004,655**	**$ 8,158,084**	**$ 46,456,891**	**$ 37,563,017**	**$ 8,893,874**

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES

Governmental Funds in State Treasury - Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

TAXES		
General Sales Tax (4% on gross retail sale of merchandise)	$ 3,147,651	9.4 %
General Use Tax	1,154,607	3.4
Income Tax (2% to 5% personal income, 6.5% net corporate income)	7,539,216	22.5
Property Tax Relief (represents portion of Income Tax used to offset property taxes lost in certain funds due to homestead exemptions)	84,920	0.3
General Property Tax (6 1/2 mills for state on varying rates not over 30%)	574,208	1.7
Gasoline Taxes (24¢ per gallon; 9.5¢ aviation; 3.5¢ jet)	727,001	2.2
Utilities Tax (6% telephone, 4% other)	439,912	1.3
Insurance Premium Tax (1% to 6%)	695,238	2.1
Liquor & Wine Tax (totals 56%, collected by ABC stores)	214,654	0.6
Tobacco & Cigarette Taxes (21.25 mills per cigarette; varying amounts on cigars, smoking tobacco, snuff, etc.)	123,793	0.4
Corporation Taxes (privilege, 25¢ to $1.75 per $1,000 net worth; permit, entrance fees for filing)	136,327	0.4
State Beer Tax (5¢ per 12 oz.)	50,840	0.2
Public Utilities (2.2%)	169,351	0.5
Motor Fuel Tax (diesel 25¢ per gallon)	278,606	0.8
Tennessee Valley Authority (payments in-lieu of all state taxes)	91,569	0.3
Leasing / Renting Tangible Personal Property - (4% most items, 1.5% vehicles, 2% garments)	106,650	0.3
Production Privilege Tax (Oil & Gas Severance at amounts varying 2-8%)	25,461	0.1
Financial Institutions Excise Tax (6.5% of net income of banks and other financial institutions)	101,591	0.3
Documentary Filing Taxes (auto title, deed, mortgage, securities, etc)	99,292	0.3
Coal Severance Tax (33.5¢ per ton)	4,539	0.0
Forestry Severance Tax	5,708	0.0
Contractors Gross Receipts Tax (5% of gross receipts)	42,168	0.1
Lodgings Tax (4% or 5% of charge)	121,132	0.4
Hydroelectric Companies (tax on 2/5 mill per kilowatt hour and 2.2% per dollar gross receipts)	1,158	0.0
Lubricating Oil Tax (6¢ per gallon)	1,677	0.0
Pari-mutuel Betting (1 or 2% on pari-mutuel pools)	18,215	0.1
Court Cost Taxes	21,509	0.1
Medicaid Taxes	406,276	1.2
Cellular Telephones (6%)	22,474	0.1
Ground Materials Severance Tax	40	0.0
Vapor Products	3,837	0.0
Miscellaneous Taxes	30,508	0.1
TOTAL TAXES	**$ 16,440,128**	**49.2 %**

LICENSES AND FEES		
Conservation Licenses (fishing, hunting, boat registration, etc)	$ 45,102	0.1 %
Drivers Licenses and Fees	77,087	0.2
Petroleum Products Inspection Fees (.00025¢ to 15¢ per gallon)	59,304	0.2
Agricultural Licenses and Fees	17,730	0.1
Wholesale Oil Company License	8,953	0.0
Motor Vehicle License ($23.00 on auto; up to $890.00 on trucks and up to $210.00 on buses)	220,135	0.7
Privilege License (fees for privilege of operating stores, factories, professions, businesses, etc)	153,347	0.5
Court Fees	81,297	0.2
Alcoholic Beverage Licenses	2,853	0.0
Insurance Corporation Licenses and Fees	1,455	0.0
Miscellaneous License and Fees	348,237	1.0
TOTAL LICENSES AND FEES	**1,015,500**	**3.0**
FINES AND FORFEITS		
Court Fines and Forfeits	21,160	0.1
Tobacco Settlement	91,854	0.3
Miscellaneous Fines and Forfeits	108,484	0.3
TOTAL FINES AND FORFEITS	**221,498**	**0.7**
INVESTMENT INCOME	**563,903**	**1.7**
FEDERAL REVENUES	**13,665,971**	**40.8**
OTHER REVENUES		
Rents and Royalties	90,077	0.3
Reimbursements	138,360	0.4
Sales of Property or Services	79,799	0.2
Contributions	10,862	0.0
Intragovernmental Services	420,011	1.3
Local Revenues	83,737	0.3
Medicaid CPE/IGT Revenues	551,959	1.6
Miscellaneous Revenues	235,863	0.7
TOTAL OTHER REVENUES	**1,610,668**	**4.8**
TOTAL REVENUES	**$ 33,517,668**	**100 %**

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES AND DISTRIBUTIONS OF REVENUES

Governmental Funds in State Treasury - Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Total Revenues	Admin-istrative Expense	Net Revenues	Human Resources Funds	General Fund	Public School Fund	Education Trust Fund	Alabama Trust Fund
TAXES								
General Sales Tax	$ 3,147,651	$ 103,166	$ 3,044,485	$ 88,790	$ 177,874	$ 0	$ 2,567,356	$ 0
General Use Tax	1,154,607	3,986	1,150,621	500	744,758	—	401,251	—
Income Tax	7,539,216	44,036	7,495,180	—	—	—	7,495,180	—
Property Tax Relief	84,920	—	84,920	12,542	34,752	37,626	—	—
General Property Tax	574,208	5,463	568,745	85,361	217,983	265,401	—	—
Gasoline Taxes	727,001	13,417	713,584	—	—	—	—	—
Utilities Tax	439,912	313	439,599	—	—	—	424,999	—
Insurance Premium Tax	695,238	—	695,238	—	689,515	—	—	—
Liquor & Wine Tax	214,654	—	214,654	76,953	110,479	—	—	—
Tobacco & Cigarette Taxes	123,793	478	123,315	1,669	113,514	—	—	—
Corporation Taxes	136,327	—	136,327	—	95,012	—	—	—
State Beer Tax	50,840	—	50,840	10,168	15,252	—	20,336	—
Public Utilities	169,351	—	169,351	—	5,233	—	—	—
Motor Fuel Tax	278,606	1,617	276,989	—	—	—	—	—
Tennessee Valley Authority	91,569	—	91,569	—	—	—	—	—
Leasing/Renting Personal Property	106,650	—	106,650	—	106,650	—	—	—
Production Privilege Tax	25,461	—	25,461	—	19,562	—	—	—
Financial Institutions Excise Tax	101,591	—	101,591	—	45,579	—	—	—
Documentary Filing Taxes	99,292	1055	98,237	—	98,237	—	—	—
Coal Severance Tax	4,539	—	4,539	—	—	—	—	—
Forestry Severance Tax	5,708	291	5,417	—	—	—	—	—
Contractors Gross Receipts Tax	42,168	37	42,131	6,310	—	—	—	—
Lodgings Tax	121,132	71	121,061	—	87,295	—	—	—
Hydroelectric Companies	1,158	—	1158	—	—	—	486	—
Lubricating Oil Tax	1,677	13	1,664	—	559	—	—	—
Pari-mutuel Betting	18,215	—	18,215	—	18,215	—	—	—
Court Cost Taxes	21,509	—	21,509	—	5,603	—	—	—
Medicaid Provider Taxes	406,276	224	406,052	—	—	—	—	—
Cellular Telephone Tax	22,474	—	22,474	—	12,581	—	8,541	—
Ground Materials Severance Tax	40	—	40	—	—	—	—	—
Vapor Products	3,837	—	3,837	—	3,837	—	—	—
Miscellaneous Taxes	30,508	442	30,066	—	5,886	1	—	—
TOTAL TAXES	**16,440,128**	**174,609**	**16,265,519**	**282,293**	**2,608,376**	**303,028**	**10,918,149**	**—**
LICENSES AND FEES								
Conservation Licenses	45,102	—	45,102	—	—	—	—	—
Drivers Licenses and Fees	77,087	—	77,087	—	37,004	—	—	—
Petroleum Products Inspection Fee	59,304	—	59,304	—	—	—	—	—
Agricultural License and Fees	17,730	—	17,730	—	—	—	—	—
Wholesale Oil Company License	8,953	—	8,953	—	8,953	—	—	—
Motor Vehicle License	220,135	17,216	202,919	—	55,255	—	—	—
Privilege License	153,347	2,466	150,881	—	36,387	—	124	—
Court Fees	81,297	—	81,297	—	48,512	—	61	—
Alcoholic Beverage Licenses	2,853	—	2,853	—	2,853	—	—	—
Insurance Corp Licenses and Fees	1,455	—	1,455	—	676	—	—	—
Miscellaneous License and Fees	348,237	865	347,372	226	12,472	—	24	—
TOTAL LICENSES AND FEES	**1,015,500**	**20,547**	**994,953**	**226**	**202,112**	**—**	**209**	**0**
FINES AND FORFEITS								
Court Fines and Forfeits	21,160	—	21,160	—	12,774	—	—	—
Tobacco Settlement	91,854	—	91,854	—	35	—	—	—
Miscellaneous Fines and Forfeits	108,484	—	108,484	20	4,454	—	1	—
TOTAL FINES AND FORFEITS	**221,498**	**—**	**221,498**	**20**	**17,263**	**—**	**1**	**—**
INVESTMENT INCOME	**563,903**	**—**	**563,903**	**—**	**510,334**	**—**	**—**	**3,207**
FEDERAL REVENUES	**13,665,971**	**—**	**13,665,971**	**2,438,057**	**—**	**—**	**15**	**—**
MEDICAID CPE/IGT REVENUES	**551,959**	**—**	**551,959**	**—**	**—**	**—**	**—**	**—**
MISCELLANEOUS REVENUES	**1,058,709**	**11,070**	**1,047,639**	**2,229**	**2,125**	**425**	**1,024**	**27,566**
TOTAL REVENUES	**$33,517,668**	**$ 206,226**	**$33,311,442**	**$ 2,722,825**	**$3,340,210**	**$303,453**	**$ 10,919,398**	**$ 30,773**

Distributed To Local Government	Debt Service Funds	Medicaid	Transportation Department	Health General & Mental	Education Department	Economic & Community Affairs	Other	Distribution of Other Amounts
$ 18,253	$183,972	$ 0	$ 0	$ 0	$ 0	$ 0	$ 8,240	State Parks Fund
—	—	—	—	—	—	—	4,112	Conservation Dept.
—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
280,556	—	—	225,546	—	—	—	207,482	Rebuild Ala Fund 192M
—	—	—	—	14,600	—	—	—	
—	—	—	—	4,525	—	—	1198	Insurance Dept
—	(3,093)	—	—	30,315	—	—	—	
616	—	—	—	5,847	—	—	1,669	State Parks
41,310	—	—	—	—	—	—	5	Secretary of State
5,084	—	—	—	—	—	—	—	
—	—	—	—	164,118	—	—	—	
36,375	—	—	171,306	—	—	—	69,308	Public Road & bridge 167M, Rebuild Ala Fund 67M
76,002	—	—	—	—	—	—	15,567	Incentives Fin Auth
—	—	—	—	—	—	—	—	
5,899	—	—	—	—	—	—	—	
56,012	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
2,692	—	—	—	—	—	—	1,847	Bulk Handling Facilities Trust Fund
—	—	—	—	—	—	—	5,417	Forestry
—	—	—	—	35,821	—	—	—	
4,668	—	—	—	—	—	—	29,098	Tourism
—	—	—	—	672	—	—	—	
608	—	—	497	—	—	—	—	
—	—	—	—	—	—	—	—	
—	—	—	—	—	2,064	—	13,842	Fair Trial Fd 12M
—	—	406,052	—	—	—	—	—	
—	1,352	—	—	—	—	—	—	
40	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
—	—	9,056	24	—	—	—	15,099	Labor 4M; ADEM 9M
528,115	**182,231**	**415,108**	**397,373**	**255,898**	**2,064**	**—**	**372,884**	
—	—	—	—	—	—	—	45,102	Conservation 38.2M; ALEA 6.9M
2,410	—	—	—	—	—	—	37,673	ALEA
9,259	—	—	44,606	—	—	—	5,439	Agriculture
—	—	—	—	35	—	—	17,695	Agriculture
—	—	—	—	—	—	—	—	
29,180	—	—	110,346	—	—	—	8,138	Corrections 4.3M; Senior Services 1.2M
—	—	—	5,692	5,050	1,268	2,229	100,131	Insurance 33M; Securities Comm 10.5M; Nursing Board 8.2M; State Bar 5.5M
—	—	—	—	78	—	—	32,646	AOC 19.8M; Forensic Science 6.8M
—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	779	Insurance Dept
837	—	8	764	190,460	1	100	142,480	ADEM 66.8M; Insurance 6.7M; Parole 8.3M; Bank 13.9M; PSC 17.9M
41,686	**—**	**8**	**161,408**	**195,623**	**1,269**	**2,329**	**390,083**	
—	—	—	—	81	—	1,467	6,838	DOC 2M; DFS 2M; Peace Officers 1.5M
—	—	—	—	—	—	—	91,819	21st Century Fund
1	—	1,795	—	—	22	—	102,191	AL Econ Settle Auth 53M; Opioid Treatment fund 33.8M
1	**—**	**1,795**	**0**	**81**	**22**	**1,467**	**200,848**	
—	**1,852**	**131**	**3,661**	**—**	**—**	**1,681**	**43,037**	ETF Stabilization Fund 15.1M;Historical Commission 6.2M
367	**12,595**	**6,721,390**	**1,124,366**	**805,890**	**1,402,735**	**337,521**	**823,035**	ADEM 78.5M; Workforce 94.0M, Rehab 102.5M, Conservation 89.4M: VA 108.6M
—	**—**	**551,959**	**—**	**—**	**—**	**—**	**—**	
—	**25,141**	**298,543**	**339,109**	**38,864**	**5,531**	**4,025**	**303,057**	Cons 99M; Uncl Prop 45M; Corrections 17.6M; AOC 19.1M
$ 570,169	**$221,819**	**$7,988,934**	**$ 2,025,917**	**$1,296,356**	**$ 1,411,621**	**$ 347,023**	**$2,132,944**	

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Nonmajor Enterprise Funds

Nonmajor Enterprise Funds are used to account for the operations of State funds that provide goods and services to external users in a manner similar to private business enterprises. The cost of providing the goods or services are recovered primarily through user charges.

State Insurance Fund
Accounts for resources used to provide insurance coverage for State buildings, school buildings, and their contents.

Fire College and Personnel Standards Commission
Develops and delivers training courses and administers the process of fire service certification in the State.

Motor Sports Hall Of Fame
Operates a public exhibit displaying the history of automotive racing and other motor sports.

Corrections Canteen
Accounts for the activity of the canteen funds of the Department of Corrections.

Military Department
Accounts for the Military Department's billeting activity and the canteen funds for the National Guard.

Real Property Management
Accounts for construction management, facilities maintenance and management, and leasing management.

COMBINING STATEMENT OF NET POSITION
Nonmajor Enterprise Funds

September 30, 2025

(Amounts in Thousands)

	State Insurance Fund	Fire College and Personnel Standards Commission	Motor Sports Hall of Fame	Corrections Canteen
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 7,806	$ 4,342	$ 932	$ 1,070
Investments, Short-term	14,634	10,805	—	—
Due From Other Funds	738	—	—	—
Due From Component Units	10	—	—	—
Accounts Receivable	1,558	947	—	318
Inventory	—	168	—	1,461
Other Current Assets	46,359	—	—	—
Total Current Assets	**71,105**	**16,262**	**932**	**2,849**
Non current Assets				
Investments, Long-term	215,279	—	—	—
Due From Other Funds	1,186	—	—	—
Other Noncurrent Assets	—	27	45	—
Capital Assets, Net of Accumulated Depreciation	—	16,441	339	—
Capital Assets Not Depreciated	—	72	2,462	—
Total Non current Assets	**216,465**	**16,540**	**2,846**	**—**
TOTAL ASSETS	**287,570**	**32,802**	**3,778**	**2,849**
DEFERRED OUTFLOWS OF RESOURCES	**—**	**3,539**	**—**	**—**
LIABILITIES				
Current Liabilities				
Warrants Payable	4	—	—	—
Lease Liability	—	24	—	—
Due To Other Funds	16	—	—	1,127
Accounts Payable	526	807	87	744
Due To Other Governments	2	—	—	—
Claims Payable	41,727	—	—	—
Unearned Revenue	320	954	—	—
Compensated Absences	—	11	—	—
Total Current Liabilities	**42,595**	**1,796**	**87**	**1,871**
Non current Liabilities				
Lease Liability	—	—	—	—
Claims Payable	39,157	—	—	—
Compensated Absences	—	463	—	—
Net OPEB Liability	—	2,734	—	—
Net Pension Liability	—	5,016	—	—
Notes Payable	—	—	217	—
Total Non current Liabilities	**39,157**	**8,213**	**217**	**$ —**
TOTAL LIABILITIES	**81,752**	**10,009**	**304**	**1,871**
DEFERRED INFLOWS OF RESOURCES	**—**	**2,229**	**45**	**—**
NET POSITION				
Net Investment in Capital Assets	—	16,484	2,584	—
Restricted for:				
Education	—	7,614	—	—
Unrestricted	205,818	5	845	978
TOTAL NET POSITION	**$ 205,818**	**$ 24,103**	**$ 3,429**	**$ 978**

Military Department	Real Property Management	Totals
$ 1,250	$ 26,795	$ 42,195
—	—	25,439
—	24	762
—	6	16
—	—	2,823
22	—	1,651
—	—	46,359
1,272	**26,825**	**119,245**
—	—	215,279
—	—	1,186
—	—	72
1,368	2,447	20,595
—	—	2,534
1,368	**2,447**	**239,666**
2,640	**29,272**	**358,911**
346	**1,672**	**5,557**
—	—	4
—	183	207
2	45	1,190
73	374	2,611
2	—	4
—	—	41,727
—	—	1,274
3	44	58
80	**646**	**47,075**
—	2,097	2,097
—	—	39,157
33	478	974
548	1,885	5,167
487	5,408	10,911
—	—	217
1,068	**9,868**	**58,523**
1,148	**10,514**	**105,598**
134	**871**	**3,279**
	—	
1,368	140	20,576
—	—	7,614
336	19,419	227,401
$ 1,704	**$ 19,559**	**$ 255,591**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)	State Insurance Fund	Fire College and Personnel Standards Commission	Motor Sports Hall of Fame	Corrections Canteen
OPERATING REVENUES				
Charges for Goods and Services	$ 0	$ 5,033	$ 0	$ 32,572
Premiums and Contributions	143,891	—	—	—
Rents and Leases	—	—	66	—
Total Revenues	**143,891**	**5,033**	**66**	**32,572**
OPERATING EXPENSES				
Salaries, Wages, and Benefits	—	7,477	270	—
Utilities and Communications	—	155	—	—
Professional Services	7,507	—	16	—
Supplies, Materials, and Operating Expense	74,927	5,289	360	19,587
Depreciation	—	1,272	152	—
Claims and Benefits	73,309	—	—	—
Other	—	—	184	—
Total Operating Expenses	**155,743**	**14,193**	**982**	**19,587**
Operating Income (Loss)	**(11,852)**	**(9,160)**	**(916)**	**12,985**
NONOPERATING REVENUES (EXPENSES)				
Investment Income	17,208	461	—	—
Other Nonoperating Revenues	—	1,406	1,284	—
Grants	—	1,834	—	—
Interest Expense	—	—	—	—
Other Nonoperating Expenses	(838)	—	—	—
Total Nonoperating Revenues (Expenses)	**16,370**	**3,701**	**1,284**	**—**
Income (Loss) Before Contributions and Transfers	**4,518**	**(5,459)**	**368**	**12,985**
Capital Contributions	—	49	—	—
Transfers In	—	11,078	—	—
Transfers Out	—	—	—	(13,064)
Increase (Decrease) in Net Position	**4,518**	**5,668**	**368**	**(79)**
Beginning Balance, October 1, 2024	201,300	18,435	3,061	1,057
Restatements	—	—	—	—
Total Net Position, October 1, 2024, as Restated	201,300	18,435	3,061	1,057
Total Net Position, September 30, 2025	**$ 205,818**	**$ 24,103**	**$ 3,429**	**$ 978**

Military Department	Real Property Management	Totals
$ 6,234	$ 7,120	$ 50,959
—	—	143,891
616	—	682
6,850	**7,120**	**195,532**
582	5,818	14,147
84	49	288
47	545	8,115
7,496	274	107,933
236	295	1,955
—	—	73,309
7	193	384
8,452	**7,174**	**206,131**
(1,602)	**(54)**	**(10,599)**
—	—	17,669
—	(2)	2,688
—	—	1,834
—	(11)	(11)
(16)	(122)	(976)
(16)	**(135)**	**21,204**
(1,618)	**(189)**	**10,605**
—	—	49
—	—	11,078
(7)	(20)	(13,091)
(1,625)	**(209)**	**8,641**
3,329	19,768	246,950
—	—	—
3,329	19,768	246,950
$ 1,704	**$ 19,559**	**$ 255,591**

STATE OF ALABAMA

COMBINING STATEMENT OF CASH FLOWS
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)	State Insurance Fund	Fire College and Personnel Standards Commission	Motor Sports Hall of Fame	Corrections Canteen
Cash Flows from Operating Activities:				
Receipts from Customer & User Charges	$ 122,613	$ 4,147	$ 1,284	$ 32,771
Receipts from Interfund Services	21,631	—	—	—
Receipts from Operating Grants	—	1,890	—	—
Receipts from Other Operating Activities	198	1,067	66	25
Payments for Goods Held for Resale	—	—	(83)	(19,587)
Payments for Other Goods & Services	(73,999)	(5,733)	(627)	—
Payments for Employees Services	—	(6,994)	(285)	—
Payments for Operating Grants	(61)	—	—	—
Payments for Interfund Services	(24)	—	—	—
Payments for Other Operating Activities	(14)	—	—	(31)
Payments for Claims	(33,306)	—	—	—
Net Cash Provided by (Used In) Operating Activities	**37,038**	**(5,623)**	**355**	**13,178**
Cash Flows from Noncapital Financing Activities:				
Receipts from Noncapital Financing Grants & Donations	—	1,406	—	—
Transfers from Other Funds for Noncapital Financing	—	11,078	—	112
Transfers to Other Funds for Noncapital Financing	(5,586)	—	—	(13,064)
Net Cash Provided By (Used In) Noncapital Financing Activities	**(5,586)**	**12,484**	**—**	**(12,952)**
Cash Flows from Capital & Related Financing Activities:				
Receipts from Capital Grants & Contributions	—	49	—	—
Payments to Acquire, Construct, & Improve Capital Assets	—	(3,727)	(22)	—
Principal Paid on Debt, Lease RTU, and Subscription-based IT Liabilities	—	(55)	—	—
Interest Paid on Debt, Lease RTU, and Subscription-based IT Liabilities	—	—	—	—
Net Cash Provided by (Used in) Capital and Related Financing Activities	**—**	**(3,733)**	**(22)**	**—**
Cash Flows From Investing Activities				
Receipts from Sales & Maturities of Investments	70,000	1,763	—	—
Receipts from Interest & Dividends on Investments & Loans	461	461	—	—
Purchase of Investments	(110,301)	(3,550)	—	—
Net Cash Provided By (Used In) Investing Activities	**(39,840)**	**(1,326)**	**—**	**—**
Net Increase (Decrease) In Cash and Cash Equivalents	**(8,388)**	**1,802**	**333**	**226**
Cash Beginning Balance, October 1, 2024	16,190	2,540	599	844
Restatements	—	—	—	—
Cash Balance as Restated, October 1, 2024	16,190	2,540	599	844
Cash Balance, September 30, 2025	**7,802**	**4,342**	**932**	**1,070**
Add: Warrants Payable	4	—	—	—
Cash and Cash Equivalents, as Reported on Statement of Net Position	**$ 7,806**	**$ 4,342**	**$ 932**	**$ 1,070**

Military Department	Real Property Management	Totals
$ 6,876	$ 6,648	$ 174,339
—	568	22,199
—	—	1,890
(135)	—	1,221
—	—	(19,670)
(7,529)	(262)	(88,150)
(639)	(3,854)	(11,772)
—	—	(61)
(21)	(708)	(753)
(7)	(278)	(330)
—	—	(33,306)
(1,455)	**2,114**	**45,607**
—	—	1,406
—	—	11,190
(7)	(16)	(18,673)
(7)	**(16)**	**(6,077)**
—	—	49
—	(65)	(3,814)
—	(294)	(349)
—	(11)	(11)
—	**(370)**	**(4,125)**
—	—	71,763
—	—	922
—	—	(113,851)
—	**—**	**(41,166)**
(1,462)	**1,728**	**(5,761)**
2,712	25,067	47,952
—	—	—
2,712	25,067	47,952
1,250	**26,795**	**42,191**
—	—	4
$ 1,250	**$ 26,795**	**$ 42,195**

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS *Continued from Previous Page*
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)	State Insurance Fund	Fire College and Personnel Standards Commission	Motor Sports Hall of Fame	Corrections Canteen
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	**$ (11,852)**	**$ (9,160)**	**$ (916)**	**$ 12,985**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	—	1,272	152	—
Nonoperating Revenues	1	1,834	1,130	387
Nonoperating Expenses	(791)	—	—	—
Accounts Payable	3	53	4	(25)
Due to Other Funds	5,569	—	—	—
Due from Other Funds	1,252	—	—	—
Compensated Absences	—	5	—	—
Due to Other Governments	—	—	—	—
Accounts Receivable	(383)	(90)	—	31
Inventory	—	(12)	—	(200)
Unearned Revenue	(13)	327	—	—
Other Assets	3,265	—	—	—
Deferred Outflows of Resources	—	(1,075)	(4)	—
Other Liabilities	—	—	(26)	—
Deferred Inflows of Resources	—	350	15	—
Claims Payable	39,987	—	—	—
Net OPEB Liability	—	2,139	—	—
Net Pension Liability	—	(1,266)	—	—
Total Adjustments	**48,890**	**3,537**	**1,271**	**193**
Net Cash Provided (Used) by Operating Activities	**$ 37,038**	**$ (5,623)**	**$ 355**	**$ 13,178**
Noncash Investing, Capital, and Financing Activities				
Increase (Decrease):				
Disposals and Other Reductions to Capital Assets	—	—	—	—
Capital Assets Acquired by Capital Contribution	—	49	—	—
Capital Assets Acquired on Account	—	—	—	—
Interest Accruals and Other Adjustments	7,666	—	—	—
Unrealized Gains (Losses) in Investment Fair Value	9,133	—	—	—
Transfers In (Out)	5,586	—	—	—

Military Department	Real Property Management	Totals
$ (1,602)	**$ (54)**	**$ (10,599)**
236	295	1,955
—	21	3,373
98	(89)	(782)
4	89	128
—	(88)	5,481
—	78	1,330
(3)	137	139
(6)	—	(6)
—	—	(442)
(121)	—	(333)
—	—	314
—	—	3,265
(165)	(676)	(1,920)
—	—	(26)
(57)	395	703
—	—	39,987
246	1,145	3,530
(85)	861	(490)
147	**2,168**	**56,206**
$ (1,455)	**$ 2,114**	**$ 45,607**
—	(1,155)	(1,155)
—	—	49
9	33	42
—	—	7,666
—	—	9,133
—	(4)	5,582

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
TOMBIGBEE
ALABAMA RIVER
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Internal Service Funds

Internal Service Funds account for the operation of State funds which provide goods and services primarily to other State funds on a cost-reimbursement basis.

Telecommunications Fund
Provides for the coordination and promotion of efficiency in the acquisition, operation and maintenance of telecommunications and computer equipment, services, systems, and networks used by state agencies.

Service Division Funds
Accounts for various services provided to State agencies including janitorial services, motor pool, mail services, and building maintenance.

Correctional Industries
Accounts for the manufacturing activities of the State's correctional facilities.

Building Renovation Finance Authority
Accounts for the rental and maintenance of the buildings in the State Capitol Complex.

Risk Management
Accounts for resources used to provide insurance coverage for State employees against work related injuries as well as employment-related liability claims.

Other Internal Service Funds
Account for other small internal service funds operated by the Finance and Military Departments.

STATE OF ALABAMA

COMBINING STATEMENT OF NET POSITION

Internal Service Funds

September 30, 2025

(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 22,157	$ 140	$ 7,817	$ 21,875	$ 9,607
Investments, Short-term	—	—	—	—	16,539
Due From Other Funds	13,026	346	1,145	1,120	485
Due From Component Units	44	9	3	3	—
Accounts Receivable	364	48	—	4	1,185
Inventory	—	6	4,067	—	—
Total Current Assets	**35,591**	**549**	**13,032**	**23,002**	**27,816**
Noncurrent Assets					
Investments, Long-term	—	—	—	—	248,005
Capital Assets, Net of Accumulated Depreciation	4,233	351	2,218	70,857	424
Capital Assets Not Depreciated	—	—	544	2,285	—
Total Noncurrent Assets	**4,233**	**351**	**2,762**	**73,142**	**248,429**
TOTAL ASSETS	**39,824**	**900**	**15,794**	**96,144**	**276,245**
DEFERRED OUTFLOWS OF RESOURCES	**6,107**	**266**	**1,699**	**3,055**	**3,225**
LIABILITIES					
Current Liabilities					
Warrants Payable	1	—	1	—	17
Subscription-based IT Short-term	846	—	—	—	—
Lease Liability	—	—	—	—	—
Due To Other Funds	255	7	30	55	474
Due To Component Units	—	—	—	—	633
Accounts Payable	4,568	89	607	1,829	1,311
Due To Other Governments	—	—	6	65	14
Claims Payable	—	—	—	—	7,734
Funds Held in Escrow	—	—	—	—	195
Compensated Absences	177	2	45	41	71
Total Current Liabilities	**5,847**	**98**	**689**	**1,990**	**10,449**
Noncurrent Liabilities					
Subscription-based IT Long-term	586	—	—	—	—
Lease Liability	—	—	—	—	—
Claims Payable	—	—	—	—	94,904
Compensated Absences	1,596	23	480	439	763
Net OPEB Liability	6,816	379	2,238	4,231	3,869
Net Pension Liability	20,030	539	4,204	6,718	9,493
Total Noncurrent Liabilities	**29,028**	**941**	**6,922**	**11,388**	**109,029**
TOTAL LIABILITIES	**34,875**	**1,039**	**7,611**	**13,378**	**119,478**
DEFERRED INFLOWS OF RESOURCES	**3,204**	**115**	**790**	**1,358**	**1,611**
NET POSITION					
Net Investment in Capital Assets	2,800	352	2,763	72,901	424
Unrestricted	5,052	(340)	6,329	11,562	157,957
TOTAL NET POSITION	**$ 7,852**	**$ 12**	**$ 9,092**	**$ 84,463**	**$ 158,381**

Other Internal Service Funds	Totals
$ 26,183	$ 87,779
—	16,539
5,916	22,038
31	90
110	1,711
—	4,073
32,240	**132,230**
—	248,005
28,340	106,423
—	2,829
28,340	**357,257**
60,580	**489,487**
7,070	**21,422**
—	19
—	846
716	716
2,134	2,955
—	633
2,064	10,468
6	91
—	7,734
—	195
218	554
5,138	**24,211**
—	586
4,992	4,992
—	94,904
2,344	5,645
8,075	25,608
22,443	63,427
37,854	**195,162**
42,992	**219,373**
3,653	**10,731**
22,528	101,768
(1,523)	179,037
$ 21,005	**$ 280,805**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Internal Service Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Telecom-munications Fund	Services Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
OPERATING REVENUES					
Charges for Goods and Services	$ 65,480	$ 3,631	$ 9,198	$ 1,530	$ 5,796
Premiums and Contributions	—	—	—	—	32,631
Rents and Leases	—	—	—	21,882	—
Total Operating Revenues	**65,480**	**3,631**	**9,198**	**23,412**	**38,427**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	16,204	247	3,309	5,722	7,736
Utilities and Communications	11,653	72	1,201	3,929	122
Professional Services	14,709	197	215	2,943	7,919
Supplies, Materials, and Operating Expense	22,267	2,844	9,087	2,341	565
Depreciation	2,516	39	309	4,040	87
Claims and Benefits	—	—	—	—	7,959
Other	1,504	229	570	7,526	222
Total Operating Expenses	**68,853**	**3,628**	**14,691**	**26,501**	**24,610**
Operating Income (Loss)	**(3,373)**	**3**	**(5,493)**	**(3,089)**	**13,817**
NONOPERATING REVENUES (EXPENSES)					
Investment Income	—	—	—	—	17,848
Other Nonoperating Revenues	(16)	9	55	2,772	—
Interest Expense	(99)	—	—	—	—
Other Nonoperating Expenses	(22)	(15)	—	(50)	(1,391)
Total Nonoperating Revenues (Expenses)	**(137)**	**(6)**	**55**	**2,722**	**16,457**
Income (Loss) Before Contributions and Transfers	**(3,510)**	**(3)**	**(5,438)**	**(367)**	**30,274**
Capital Contributions	—	—	—	29	—
Transfers In	4,687	3	4,076	1,492	5,914
Transfers Out	(51)	(6)	(20)	(51)	(5,944)
Increase (Decrease) in Net Position	**1,126**	**(6)**	**(1,382)**	**1,103**	**30,244**
Beginning Balance, October 1, 2024	6,726	18	10,474	83,360	128,137
Restatements	—	—	—	—	—
Total Net Position, October 1, 2024, as Restated	6,726	18	10,474	83,360	128,137
Total Net Position, September 30, 2025	**$ 7,852**	**$ 12**	**$ 9,092**	**$ 84,463**	**$ 158,381**

Other Internal Service Funds	Totals
$ 40,476	$ 126,111
—	32,631
—	21,882
40,476	**180,624**
17,780	50,998
261	17,238
13,963	39,946
5,503	42,607
1,473	8,464
—	7,959
1,149	11,200
40,129	**178,412**
347	**2,212**
—	17,848
214	3,034
(194)	(293)
(1,535)	(3,013)
(1,515)	**17,576**
(1,168)	**19,788**
26	55
3	16,175
(67)	(6,139)
(1,206)	**29,879**
22,211	250,926
—	—
22,211	250,926
$ 21,005	**$ 280,805**

COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
Cash Flows from Operating Activities:					
Receipts from Customer & User Charges	$ 566	$ 55	$ 1,375	$ 43	$ 489
Receipts from Interfund Services	66,322	3,518	7,366	25,687	32,378
Receipts from Other Operating Activities	—	—	38	2	403
Payments for Goods Held for Resale	(80)	(2,544)	(6,050)	(43)	—
Payments for Other Goods & Services	(49,760)	(215)	(2,710)	(7,768)	(7,387)
Payments for Employees Services	(14,557)	(442)	(3,533)	(5,458)	(6,896)
Payments for Interfund Services	(2,102)	(392)	(359)	(1,900)	(2,862)
Payments for Other Operating Activities	(189)	—	(47)	(10)	(141)
Payments for Claims	—	—	—	—	(6,627)
Net Cash Provided by (Used In) Operating Activities	**200**	**(20)**	**(3,920)**	**10,553**	**9,357**
Cash Flows from Noncapital Financing Activities:					
Transfers from Other Funds for Noncapital Financing	2,927	—	3,945	1,488	11,500
Transfers to Other Funds for Noncapital Financing	(51)	(4)	(20)	(49)	(5,944)
Net Cash Provided By (Used In) Noncapital Financing Activities	**2,876**	**(4)**	**3,925**	**1,439**	**5,556**
Cash Flows from Capital & Related Financing Activities:					
Receipts from Sale of Capital Assets & Insurance Proceeds	4	9	19	32	—
Payments to Acquire, Construct, & Improve Capital Assets	(6)	(16)	(387)	(7,760)	(206)
Principal Paid on Debt, Lease RTU, and Subscription-based IT Liabilities	(1,867)	—	—	—	—
Interest Paid on Debt, Lease RTU, and Subscription-based IT Liabilities	(99)	—	—	—	—
Net Cash Provided by (Used in) Capital and Related Financing Activities	**(1,968)**	**(7)**	**(368)**	**(7,728)**	**(206)**
Cash Flows From Investing Activities					
Receipts from Sales & Maturities of Investments	—	—	—	—	7,073
Receipts from Interest & Dividends on Investments & Loans	—	—	—	—	272
Purchase of Investments	—	—	—	—	(24,340)
Net Cash Provided By (Used In) Investing Activities	**—**	**—**	**—**	**—**	**(16,995)**
Net Increase (Decrease) In Cash and Cash Equivalents	**1,108**	**(31)**	**(363)**	**4,264**	**(2,288)**
Cash Beginning Balance, October 1, 2024	21,048	171	8,179	17,611	11,878
Restatements	—	—	—	—	—
Cash Balance as Restated, October 1, 2024	21,048	171	8,179	17,611	11,878
Cash Balance, September 30, 2025	**22,156**	**140**	**7,816**	**21,875**	**9,590**
Add: Warrants Payable	1	—	1	—	17
Cash and Cash Equivalents, as Reported on Statement of Net Position	**$ 22,157**	**$ 140**	**$ 7,817**	**$ 21,875**	**$ 9,607**

Other Internal Service Funds	Totals
$ 7,489	$ 10,017
34,615	169,886
13	456
(25)	(8,742)
(17,052)	(84,892)
(16,427)	(47,313)
(6,162)	(13,777)
(35)	(422)
—	(6,627)
2,416	**18,586**
—	19,860
(1,266)	(7,334)
(1,266)	**12,526**
2	66
(3,154)	(11,529)
(670)	(2,537)
(194)	(293)
(4,016)	**(14,293)**
—	7,073
—	272
—	(24,340)
—	**(16,995)**
(2,866)	**(176)**
29,049	87,936
—	—
29,049	87,936
26,183	**87,760**
—	19
$ 26,183	**$ 87,779**

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS *Continued from Previous Page*
Internal Service Funds
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	**$ (3,373)**	**$ 3**	**$ (5,493)**	**$ (3,089)**	**$ 13,817**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	2,516	39	309	4,040	87
Nonoperating Revenues	1,761	2	38	2,484	137
Nonoperating Expenses	—	—	—	—	(705)
Accounts Payable	(1,814)	44	33	5,736	(576)
Due to Other Funds	58	(62)	3	(114)	(402)
Due from Other Funds	(331)	(51)	(456)	(143)	(5,289)
Compensated Absences	134	(3)	4	31	105
Accounts Receivable	(182)	9	—	1,355	61
Inventory	—	185	1,860	—	—
Deferred Outflows of Resources	(1,402)	(68)	(504)	(1,188)	(917)
Deferred Inflows of Resources	1,094	(41)	46	59	417
Claims Payable	—	—	—	—	1,435
Net OPEB Liability	3,549	135	1,073	2,193	2,009
Net Pension Liability	(1,810)	(212)	(833)	(811)	(822)
Total Adjustments	**3,573**	**(23)**	**1,573**	**13,642**	**(4,460)**
Net Cash Provided (Used) by Operating Activities	**$ 200**	**$ (20)**	**$ (3,920)**	**$ 10,553**	**$ 9,357**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Disposals and Other Reductions to Capital Assets	(133)	(66)	(20)	(322)	0
Capital Asset Reassignments	—	—	—	5	—
Capital Assets Acquired by Capital Contribution	—	—	—	29	—
Capital Assets Acquired on Account	48	—	1	193	—
Interest Accruals and Other Adjustments	—	—	—	—	8,099
Unrealized Gains (Losses) in Investment Fair Value	—	—	—	—	9,405
Transfers In (Out)	1,761	1	—	2	(5,586)

Other Internal Service Funds	Totals
$ 347	**$ 2,212**
1,473	8,464
190	4,612
—	(705)
(1,520)	1,903
732	215
(200)	(6,470)
3	274
—	1,243
—	2,045
(1,698)	(5,777)
1,168	2,743
—	1,435
4,222	13,181
(2,301)	(6,789)
2,069	**16,374**
$ 2,416	**$ 18,586**
(110)	(651)
—	5
26	55
104	346
—	8,099
—	9,405
1,201	(2,621)

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Pension and Other Employee Benefit Trust Funds

Pension and Other Employee Benefit Trust Funds include Pensions, OPEB and other employee benefit plans held in trust that meet GASB criteria in Statement Nos. 67, 74 and 84.

Employees' Retirement System
Accounts for a pension plan for the benefit of State employees, State police, and employees of other eligible governmental organizations such as cities and counties within the State.

Teachers' Retirement System
Accounts for a pension plan for the benefit of employees of State supported educational institutions.

Judicial Retirement Fund
Accounts for a pension plan for the benefit of judges of the State's Supreme Court, Court of Civil Appeals, Court of Criminal Appeals, and Circuit Court.

Peace Officers Annuity and Benefit
Provides pension benefits to State and local peace officers.

State Port Authority Hourly Plan
Is a retirement fund for certain hourly employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

State Port Authority Railway Plan
Is a retirement fund for certain employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

State Port Authority Hourly Defined Contribution
Is a defined contribution retirement plan for certain hourly employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

Alabama Deferred Compensation Fund
Accounts for resources contributed by State employees for a deferred compensation plan sponsored by the Personnel Board.

RSA Employee Savings Plans
Accounts for resources contributed by public employees for deferred compensation plans and individual retirement accounts sponsored by the Retirement Systems of Alabama.

Retired Education Employees' Health Care Trust
Provides post-employment health insurance benefits for retired employees of State supported educational institutions

Retired State Employees' Health Care Trust
Provides post-employment health insurance benefits for retired State employees.

Other Pension Funds
Accounts for small pension plans.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
Pension and Other Employee Benefit Trust Funds

September 30, 2025

(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Judicial Retirement Fund	Peace Officers' Annuity and Benefits	State Port Authority Hourly Plan
ASSETS					
Cash and Cash Equivalents	$ 52,433	$ 100,214	$ 3,985	$ 363	$ 0
Investments					
U.S. Treasury Securities	948,819	1,858,102	32,897	9,368	5,760
U.S. Agency Securities	53,164	101,962	2,308	430	449
Mortgage Backed Securities	596,144	1,171,370	21,897	—	4,259
Corporate Stocks	9,660,356	18,637,667	208,444	—	3,850
Corporate Bonds	983,388	1,933,081	33,102	5,494	10,073
Real Estate	1,464,777	2,876,866	7,787	—	—
Commercial Paper	134,992	253,582	6,482	—	494
International Stocks	2,654,762	5,080,379	59,803	—	—
Guaranteed Investment Contracts	—	—	—	—	—
Mutual and Money Market Funds	1,287,312	2,377,220	24,231	26,334	906
Receivables					
Employer Contributions Receivable	40,762	115,000	917	—	—
Member Contributions Receivable	18,911	60,344	208	—	—
Investment Sales Receivable	—	47,000	—	—	—
Accounts Receivable	57,539	114,530	1,454	136	127
Due From Other Governments	—	52	—	—	—
Mortgages, Notes, and Loans Receivable	—	—	—	—	—
Other Assets	—	—	—	—	—
Securities Lending Collateral	474,125	1,058,084	4,069	—	2,004
Capital Assets, Net of Accumulated Depreciation	29,526	64,958	—	41	—
Capital Assets not Depreciated	2,535	5,085	—	—	—
TOTAL ASSETS	**18,459,545**	**35,855,496**	**407,584**	**42,166**	**27,922**
Deferred Outflows Of Resources	**5,464**	**15,597**	**116**	**172**	**—**
LIABILITIES					
Investment Purchases Payable	61,781	117,191	3,822	—	—
Due To Other Funds	—	—	—	3	—
Accounts Payable	4,061	6,446	51	65	—
Due To Other Governments	1	5	—	—	—
Claims Payable	—	—	—	—	—
Securities Lending Obligation	474,125	1,058,084	4,069	—	2,004
Compensated Absences	2,913	4,857	105	137	—
Net OPEB Liability	6,326	12,691	62	178	—
Net Pension Liability	17,667	32,803	534	624	—
TOTAL LIABILITIES	**566,874**	**1,232,077**	**8,643**	**1,007**	**2,004**
Deferred Inflows Of Resources	**3,751**	**7,497**	**74**	**95**	**—**
NET POSITION					
Restricted for:					
Pensions	17,894,384	34,631,519	398,983	41,236	25,918
OPEB	—	—	—	—	—
Other Purposes	—	—	—	—	—
TOTAL NET POSITION	**$ 17,894,384**	**$ 34,631,519**	**$ 398,983**	**$ 41,236**	**$ 25,918**

State Port Authority Railway Plan	State Port Authority Hourly Defined Contribution	Alabama Deferred Compensation Plan	RSA Employee Savings Plans	Retired Educ Employees' Health Care Trust	Retired State Employees' Health Care Trust	Other Pension Funds	Totals
$ 0	$ 0	$ 0	$ 0	$ 0	$ 54	$ 1,240	$ 158,289
—	—	—	297,935	172,519	22,858	—	3,348,258
—	—	—	28,092	13,026	1,588	—	201,019
—	—	—	212,355	122,778	16,059	—	2,144,862
—	831	—	1,884,292	1,499,140	183,874	684	32,079,138
—	647	266,267	452,235	281,797	27,575	431	3,994,090
—	—	—	—	—	1,847	—	4,351,277
—	—	—	—	39,826	7,685	—	443,061
—	—	101,011	—	339,276	30,426	—	8,265,657
—	—	3,500	—	—	—	—	3,500
—	18,729	414,841	259,685	189,661	17,348	186	4,616,453
—	—	—	—	—	—	—	156,679
—	—	—	—	—	—	—	79,463
—	—	—	—	—	—	—	47,000
—	—	—	8,103	10,635	933	40	193,497
—	—	—	—	—	—	—	52
—	—	9,911	—	—	—	—	9,911
—	—	—	—	1,027	—	605	1,632
—	—	—	78,070	112,890	27,500	—	1,756,742
—	—	—	—	—	—	—	94,525
—	—	—	—	—	—	—	7,620
—	**20,207**	**795,530**	**3,220,767**	**2,782,575**	**337,747**	**3,186**	**61,952,725**
—	**—**	**—**	**—**	**—**	**—**	**—**	**21,349**
—	—	—	—	19,982	—	—	202,776
—	—	—	—	—	—	—	3
—	—	—	—	—	—	1,074	11,697
—	—	—	—	57	—	—	63
—	—	—	—	23,672	—	—	23,672
—	—	—	78,070	112,890	27,500	—	1,756,742
—	—	—	—	—	—	—	8,012
—	—	—	—	—	—	—	19,257
—	—	—	—	—	—	—	51,628
—	**—**	**—**	**78,070**	**156,601**	**27,500**	**1,074**	**2,073,850**
—	**—**	**—**	**—**	**—**	**—**	**—**	**11,417**
—	20,207	795,530	—	723,757	106,886	2,112	54,640,532
—	—	—	—	1,902,217	203,361	—	2,105,578
—	—	—	3,142,697	—	—	—	3,142,697
$ 0	**$ 20,207**	**$ 795,530**	**$ 3,142,697**	**$ 2,625,974**	**$ 310,247**	**$ 2,112**	**$ 59,888,807**

STATE OF ALABAMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Judicial Retirement Fund	Peace Officers' Annuity and Benefits	State Port Authority Hourly Plan
ADDITIONS					
Contributions:					
Plan members	$ 390,969	$ 643,725	$ 5,253	$ 491	$ 0
Employer	765,696	1,195,942	24,969	5,003	—
Other Contributions	330	—	—	—	—
Federal On-Behalf	—	—	—	—	—
Capital Contributions	—	—	—	45	—
Total Contributions	1,156,995	1,839,667	30,222	5,539	—
Investment Earnings					
Investment Interest and Dividends	417,428	806,436	9,040	803	849
Net Increase (Decrease) in Fair Value of Investments	1,260,637	2,372,801	28,262	3,283	507
Securities Lending Income	32,381	65,138	292	—	67
Total Investment Earnings	1,710,446	3,244,375	37,594	4,086	1,423
Less:					
Investment Expense	3,761	11,890	—	—	—
Securities Lending Interest and Fees	28,654	57,093	231	—	60
Net Investment Income	1,678,031	3,175,392	37,363	4,086	1,363
Other Additions					
Interest from Mortgages and Loans Receivable	—	—	—	—	—
Miscellaneous	4,815	7,171	4	(15)	—
Total Other Additions	4,815	7,171	4	(15)	—
Total Additions	**2,839,841**	**5,022,230**	**67,589**	**9,610**	**1,363**
DEDUCTIONS					
Benefit Payments and Refunds	1,537,532	2,838,194	45,207	5,269	—
Administrative Expense	20,058	39,513	566	674	—
Total Deductions	**1,557,590**	**2,877,707**	**45,773**	**5,943**	**—**
Change in Net Position	**1,282,251**	**2,144,523**	**21,816**	**3,667**	**1,363**
Beginning Balance, October 1, 2024	16,612,133	32,486,996	377,167	37,569	24,555
Restatements	—	—	—	—	—
Net Position, October 1, 2024, as Restated	16,612,133	32,486,996	377,167	37,569	24,555
Net Position, September 30, 2025	**$ 17,894,384**	**$ 34,631,519**	**$ 398,983**	**$ 41,236**	**$ 25,918**

State Port Authority Railway Plan	State Port Authority Hourly Defined Contribution	Alabama Deferred Compensation Plan	RSA Employee Savings Plans	Retired Educ Employees' Health Care Trust	Retired State Employees' Health Care Trust	Other Pension Funds	Totals
$ 0	$ 0	$ 40,629	$ 87,171	$ 125,778	$ 40,095	$ 18,113	$ 1,352,224
—	—	—	—	296,142	71,443	8	2,359,203
—	—	—	—	—	—	6,925	7,255
—	—	—	—	400	—	—	400
—	—	—	—	—	—	—	45
—	—	40,629	87,171	422,320	111,538	25,046	3,719,127
—	—	42,769	69,877	54,061	136,451	23	1,537,737
—	—	27,607	254,975	215,653	(101,596)	113	4,062,242
—	—	—	3,370	5,960	1,958	—	109,166
—	—	70,376	328,222	275,674	36,813	136	5,709,145
—	—	1,299	—	—	—	—	16,950
—	—	—	2,864	5,400	1,823	—	96,125
—	—	69,077	325,358	270,274	34,990	136	5,596,070
—	—	802	—	—	—	—	802
—	—	—	—	—	—	5	11,980
—	—	802	—	—	—	5	12,782
—	**—**	**110,508**	**412,529**	**692,594**	**146,528**	**25,187**	**9,327,979**
—	—	69,601	188,162	422,354	111,419	22,792	5,240,530
—	—	616	—	1,745	30,595	2,225	95,992
—	**—**	**70,217**	**188,162**	**424,099**	**142,014**	**25,017**	**5,336,522**
—	**—**	**40,292**	**224,367**	**268,495**	**4,514**	**170**	**3,991,457**
—	20,207	755,239	2,918,330	2,357,479	305,733	1,942	55.897.350
—	—	—	—	—	—	—	—
—	20,207	755,239	2,918,330	2,357,479	305,733	1,942	55,897,350
$ 0	**$ 20,207**	**$ 795,531**	**$ 3,142,697**	**$ 2,625,974**	**$ 310,247**	**$ 2,112**	**$ 59,888,807**

Private-Purpose Trust Funds

Private Purpose Trust Funds report all fiduciary activities that (a) are not required to be reported in pension and other employee benefit trust funds or investment trust funds and (b) are held in a trust that meet GASB Statement No. 84 criteria.

Prepaid Affordable College Tuition
Accounts for the operation of a prepaid college tuition plan for the benefit of individual citizens of Alabama.

Alabama College Education Savings Plan
Accounts for the operation of an individual college tuition savings plan.

Local Education Endowments
Accounts for the proceeds of several endowments donated by private citizens for the benefit of specific local school systems.

ABLE Trust Fund
Accounts for private funds to support individuals with disabilities.

COMBINING STATEMENT OF FIDUCIARY NET POSITION

Private-Purpose Trust Funds

September 30, 2025

(Amounts in Thousands)

	Prepaid Affordable College Tuition	Alabama College Education Savings Plan	Local Education Endowments	ABLE Trust Fund	Totals
ASSETS					
Cash and Cash Equivalents	$ 12,018	$ 24,424	$ 0	$ 5,987	$ 42,429
Investments					
U.S. Treasury Securities	69,186	—	1,993	—	71,179
U.S. Agency Securities	—	—	100	—	100
Mortgage Backed Securities	472	—	1,380	—	1,852
Corporate Stocks	—	—	10,022	—	10,022
Corporate Bonds	—	—	3,127	—	3,127
Real Estate	—	—	20	—	20
Commercial Paper	—	—	319	—	319
Mutual and Money Market Funds	109,350	3,028,291	704	3,349	3,141,694
Receivables					
Accounts Receivable	1,079.00	7,197	9	—	8,285
TOTAL ASSETS	**192,105**	**3,059,912**	**17,674**	**9,336**	**3,279,027**
LIABILITIES					
Warrants Payable	107	—	—	—	107
Due To Other Funds	4	—	—	—	4
Accounts Payable	940	4,279	100	—	5,319
Securities Lending Obligation	—	—	97	—	97
Amounts Held in Custody for Others	—	2,559	—	—	2,559
Compensated Absences	14	14	—	—	28
TOTAL LIABILITIES	**1,065**	**6,852**	**197**	**—**	**8,114**
NET POSITION					
Restricted or Held in Trust for Beneficiaries	191,040	3,053,060	17,574	9,336	3,271,010
TOTAL NET POSITION	**$ 191,040**	**$ 3,053,060**	**$ 17,574**	**$ 9,336**	**$ 3,271,010**

STATE OF ALABAMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Private-Purpose Trust Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Prepaid Affordable College Tuition	Alabama College Education Savings Plan	Local Education Endowments	ABLE Trust Fund	Totals
ADDITIONS					
Contributions:					
Plan members	$ 31	$ 246,320	$ 0	$ 4,227	$ 250,578
Total Contributions	31	246,320	—	4,227	250,578
Investment Earnings					
Investment Interest and Dividends	7,332	106,694	392	562	114,980
Net Increase (Decrease) in Fair Value of Investments	292	193,597	1,424	—	195,313
Securities Lending Interest and Fees	—	—	13	—	13
Total Investment Earnings	7,624	300,291	1,829	562	310,306
Less:					
Securities Lending Interest and Fees	—	—	102	—	102
Net Investment Income	7,624	300,291	1,727	562	310,204
Other Additions					
Miscellaneous	56	—	—	—	56
Total Other Additions	56	—	—	—	56
Total Additions	**7,711**	**546,611**	**1,727**	**4,789**	**560,838**
DEDUCTIONS					
Benefit Payments and Refunds	18,413	253,523	232.00	1,308	273,476
Administrative Expense	490	13,626	—	78	14,194
Transfers Out	—	716	—	—	716
Total Deductions	**18,903**	**267,865**	**232**	**1,386**	**288,386**
Change in Net Position	**(11,192)**	**278,746**	**1,495**	**3,403**	**272,452**
Beginning Balance, October 1, 2023	202,232	2,774,314	16,079	5,933	2,998,558
Restatements	—	—	—	—	—
Net Position, October 1, 2024, as Restated	202,232	2,774,314	16,079	5,933	2,998,558
Net Position, September 30, 2025	**$ 191,040**	**$ 3,053,060**	**$ 17,574**	**$ 9,336**	**$ 3,271,010**

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Custodial Funds

Custodial funds are used to report fiduciary activities that meet GASB Statement No. 84 criteria and that are not required to be reported in pension and other employee benefit trust funds, investment trust funds, or private purpose trust funds.

Custodial Taxes
Accounts for local taxes which are collected by the State as a service for local governments. These taxes do not represent future revenues of the State.

Other Custodial
Miscellaneous custodial amounts for individuals, organizations and other governments.

STATE OF ALABAMA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

Custodial Funds

September 30, 2025

(Amounts in Thousands)

	Custodial Taxes	Other Custodial	Totals
ASSETS			
Cash and Cash Equivalents	$ 46,597	$ 261,858	$ 308,455
Investments			
Time Deposits	—	655	655
U.S. Treasury Securities	—	25,759	25,759
State and Local Government Securities	—	4,256	4,256
Mortgage Backed Securities	—	2,000	2,000
Corporate Bonds	—	4,495	4,495
International Bonds	—	24	24
Mutual and Money Market Funds	—	1,279	1,279
Other	—	21	21
TOTAL ASSETS	**46,597**	**300,347**	**346,944**
LIABILITIES			
Warrants Payable	11	689	700
Accounts Payable	—	79,022	79,022
Due to Other Governments	46,586	31	46,617
TOTAL LIABILITIES	**46,597**	**79,742**	**126,339**
NET POSITION			
Restricted for Individuals, Organizations, and Other Gov	—	220,605	220,605
TOTAL NET POSITION	**$ 0**	**$ 220,605**	**$ 220,605**

STATE OF ALABAMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Custodial Funds

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Custodial Taxes	Other Custodial	Totals
ADDITIONS			
Taxes Collected for Other Governments	$ 895,192	$ 0	$ 895,192
Miscellaneous	—	1,016,012	1,016,012
Total Additions	895,192	1,016,012	1,911,204
Investment Earnings			
Investment Interest and Dividends	—	1,949	1,949
Net Increase (Decrease) in Fair Value of Investments	—	4	4
Total Investment Earnings	—	1,953	1,953
Less:			
Investment Expense	—	4	4
Net Investment Income	—	1,949	1,949
Total Additions	**895,192**	**1,017,961**	**1,913,153**
DEDUCTIONS			
Benefit Payments and Refunds	—	990,294	990,294
Tax Payments to Other Governments	895,192	—	895,192
Administrative Expense	—	55	55
Total Deductions	**895,192**	**990,349**	**1,885,541**
Change in Net Position	**—**	**27,612**	**27,612**
Beginning Balance, October 1, 2024	—	192,993	192,993
Restatements	—	—	—
Net Position, October 1, 2024, as Restated	—	192,993	192,993
Net Position, September 30, 2025	**$ 0**	**$ 220,605**	**$ 220,605**

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Nonmajor Component Units

Housing Finance Authority
Provides housing opportunities for those with moderate and low incomes through affordable financing programs.

Water Pollution Control Authority
Issues revolving loan bonds and lends the proceeds to eligible municipalities at below market interest rates for the construction of wastewater treatment and collection facilities.

Drinking Water Finance Authority
Issues revolving loan bonds and lends the bond proceeds to local governments at below market rates for the construction of drinking water treatment and distribution facilities.

Troy University
Reports the operations and balances of the University.

Alabama State University
Reports the operations and balances of the University.

Alabama Agricultural and Mechanical University
Reports the operations and balances of the University.

Jacksonville State University
Reports the operations and balances of the University.

University of North Alabama
Reports the operations and balances of the University.

University of Montevallo
Reports the operations and balances of the University.

University of West Alabama
Reports the operations and balances of the University.

State Employees Health Insurance
Manages a health insurance plan for State employees.

Alabama State Port Authority
Manages the state's maritime assets, facilitating commerce and economic development through the Port of Mobile.

Other Nonmajor Component Units
Combined totals of other nonmajor component units, which are reported in more detail later in this report.

COMBINING STATEMENT OF NET POSITION

Nonmajor Component Units

September 30, 2025

(Amounts in Thousands)

	Housing Finance Authority	Water Pollution Control Authority	Drinking Water Finance Authority	Troy University	Alabama State University
ASSETS					
Cash and Cash Equivalents	$ 61,110	$ 5,170	$ 9,310	$ 145,827	$ 125,411
Investments	717,220	262,491	107,934	280,268	218,365
Due From Primary Government	—	3,704	—	—	—
Accounts Receivable	22,745	1,968	1,167	40,062	26,636
Due From Other Governments	—	534,477	434,112	—	6,053
Mortgages, Notes, and Loans Receivable	462,260	—	—	522	—
Lease Receivable	—	—	—	28	—
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	33	1
Restricted Assets	—	—	—	—	—
Other Assets	95,968	11,382	45,754	2,302	2,967
Capital Assets, Net of Accumulated Depreciation	5,598	40	5	369,129	205,842
Capital Assets Not Depreciated	—	—	—	72,445	32,642
TOTAL ASSETS	**1,364,901**	**819,232**	**598,282**	**910,616**	**617,917**
DEFERRED OUTFLOWS OF RESOURCES	**—**	**—**	**48**	**153,980**	**89,036**
LIABILITIES					
Warrants Payable	—	—	—	—	—
Due To Primary Government	—	1,174	228	—	—
Accounts Payable	31,938	16	191	13,967	13,000
Due To Other Governments	—	136,945	136,098	—	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	15,558	—	—	33,709	23,577
Amounts Held in Custody for Others	338,975	55	—	6,607	—
Noncurrent Liabilities:					
Due Within One Year	7,198	—	2,135	12,342	4,716
Due In More than One Year	452,870	—	2,748	389,104	287,858
TOTAL LIABILITIES	**846,539**	**138,190**	**141,400**	**455,729**	**329,151**
DEFERRED INFLOWS OF RESOURCES	**2,344**	**—**	**—**	**89,713**	**49,282**
NET POSITION					
Net Investment in Capital Assets	5,598	40	5	287,621	203,411
Restricted for:					
Permanent - Expendable	—	—	—	69,839	(1,207)
Permanent - Non-expendable	—	—	—	31,850	73,128
Debt Service	229,897	562,784	340,837	—	—
Capital Projects	—	—	—	—	—
Other Purposes	—	—	—	645	93,593
Unrestricted	280,523	118,218	116,088	129,199	(40,405)
TOTAL NET POSITION	**$ 516,018**	**$ 681,042**	**$ 456,930**	**$ 519,154**	**$ 328,520**

Alabama Agricultural and Mechanical University	Jacksonville State University	University of North Alabama	University of Montevallo	University of West Alabama	State Employees' Health Insurance	State Port Authority	Other Nonmajor Component Units	Totals
$ 77,946	$ 205,057	$ 121,978	$ 13,770	$ 101,175	$ 26,771	$ 121,771	$ 208,344	$ 1,223,640
60,322	62,259	87,807	88,730	5,844	100,877	—	75,532	2,067,649
—	—	—	—	—	599	—	107	4,410
79,089	27,779	32,821	9,373	9,569	38,596	13,387	34,606	337,798
—	—	—	—	—	—	25,437	65,549	1,065,628
2,405	1,285	17,480	88	27	—	—	16,016	500,083
—	—	—	—	—	—	213,433	4,355	217,816
—	—	—	—	—	2,836	—	105	2,941
—	—	12	—	—	—	7,866	10,806	18,718
—	—	—	3,451	—	—	29,372	1,069	33,892
6,648	3,278	17,834	8,945	225	570	13,848	4,918	214,639
246,318	608,100	229,789	99,296	69,924	5,845	570,322	197,479	2,607,687
45,808	136,236	22,464	3,509	5,960	—	231,756	183,882	734,702
518,536	**1,043,994**	**530,185**	**227,162**	**192,724**	**176,094**	**1,227,192**	**802,768**	**9,029,603**
50,780	**79,372**	**107,391**	**63,888**	**42,575**	**2,483**	**33,372**	**124,089**	**747,014**
—	—	—	—	—	19	—	160	179
—	—	—	—	—	—	—	111	1,513
45,163	52,486	11,752	7,264	8,623	22,006	62,112	24,299	292,817
—	—	—	134	—	—	—	1,181	274,358
—	—	—	—	—	2,836	—	105	2,941
104,689	30,233	39,432	17,387	15,992	82	44,295	26,895	351,849
16,457	1,885	361	588	4	—	—	753	365,685
5,204	7,159	6,034	3,502	4,148	30,895	17,307	8,724	109,364
198,304	726,559	316,792	159,753	125,127	52,154	333,296	344,707	3,389,272
369,817	**818,322**	**374,371**	**188,628**	**153,894**	**107,992**	**457,010**	**406,935**	**4,787,978**
40,041	**49,817**	**55,032**	**33,465**	**24,633**	**2,074**	**235,811**	**76,699**	**658,911**
2,472	219,832	107,944	52,871	29,917	5,845	495,380	363,909	1,774,845
2,026	16,351	36,561	68,683	17,568	—	—	—	209,821
54,352	2,334	66,628	17,987	421	—	—	33,869	280,569
—	—	—	—	—	—	29,372	—	1,162,890
—	—	16,853	—	—	—	—	56	16,909
—	2,735	800	—	—	—	—	23,477	121,250
100,608	13,975	(20,613)	(70,584)	8,866	62,666	42,991	21,912	763,444
$ 159,458	**$ 255,227**	**$ 208,173**	**$ 68,957**	**$ 56,772**	**$ 68,511**	**$ 567,743**	**$ 443,223**	**$ 4,329,728**

COMBINING STATEMENT OF ACTIVITIES
Nonmajor Component Units
For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)	Housing Finance Authority	Water Pollution Control Authority	Drinking Water Finance Authority	Troy University	Alabama State University
Expenses	**$ 86,641**	**$ 18,776**	**$ 19,822**	**$ 291,948**	**$ 213,618**
Program Revenues					
Charges for Services	54,870	7,683	7,323	133,355	67,540
Operating Grants and Contributions	22,667	21,525	14,192	66,846	58,179
Capital Grants and Contributions	—	—	—	5,260	580
Total Program Revenues	**77,537**	**29,208**	**21,515**	**205,461**	**126,299**
Net (Expense) Revenue	**(9,104)**	**10,432**	**1,693**	**(86,487)**	**(87,319)**
General Revenues:					
Payments from State of Alabama	—	6,811	11,060	106,067	71,346
Unrestricted Investment Earnings	40,081	23,321	14,918	24,446	17,620
Miscellaneous	—	—	—	838	—
Contributions to Permanent Funds and Endowments	—	—	—	—	—
Total General Revenues and Contributions	**40,081**	**30,132**	**25,978**	**131,351**	**88,966**
Change in Net Position	**30,977**	**40,564**	**27,671**	**44,864**	**1,647**
Beginning Balance	485,041	640,478	429,259	474,290	326,873
Restatements	—	—	—	—	—
Net Position, October 1, 2024, as Restated	485,041	640,478	429,259	474,290	326,873
Net Position, September 30, 2025	**$ 516,018**	**$ 681,042**	**$ 456,930**	**$ 519,154**	**$ 328,520**

Alabama Agricultural and Mechanical University	Jacksonville State University	University of North Alabama	University of Montevallo	University of West Alabama	State Employees' Health Insurance	State Port Authority	Other Nonmajor Component Units	Totals
$ 314,256	**$ 196,424**	**$ 178,155**	**$ 97,149**	**$ 99,729**	**$ 521,934**	**$ 190,922**	**$ 354,452**	**$ 2,583,826**
104,214	102,170	87,656	34,423	53,560	497,026	215,508	129,168	1,494,496
81,448	54,427	39,578	25,625	29,433	30,477	—	80,778	525,175
—	—	1,190	—	—	—	84,116	16,344	107,490
185,662	**156,597**	**128,424**	**60,048**	**82,993**	**527,503**	**299,624**	**226,290**	**2,127,161**
(128,594)	**(39,827)**	**(49,731)**	**(37,101)**	**(16,736)**	**5,569**	**108,702**	**(128,162)**	**(456,665)**
71,922	76,859	72,427	38,272	35,223	151	10,724	170,456	671,318
1,352	11,121	12,212	2,325	1,369	890	—	12,938	162,593
8,269	500	1,329	—	809	—	735	1,961	14,441
—	—	10	—	—	—	—	—	10
81,543	**88,480**	**85,978**	**40,597**	**37,401**	**1,041**	**11,459**	**185,355**	**848,362**
(47,051)	**48,653**	**36,247**	**3,496**	**20,665**	**6,610**	**120,161**	**57,193**	**391,697**
175,025	206,574	171,926	65,461	36,107	61,901	—	386,030	3,458,965
31,484	—	—	—	—	—	447,582	—	479,066
206,509	206,574	171,926	65,461	36,107	61,901	447,582	386,030	3,938,031
$ 159,458	**$ 255,227**	**$ 208,173**	**$ 68,957**	**$ 56,772**	**$ 68,511**	**$ 567,743**	**$ 443,223**	**$ 4,329,728**

COMBINING STATEMENT OF NET POSITION
Other Nonmajor Component Units

September 30, 2025

(Amounts in Thousands)

	Historical Commission	Alabama Institute for the Deaf and Blind	Athens State University	Space Science Exhibit Commission	Marine Environmental Sciences Consortium
ASSETS					
Cash and Cash Equivalents	$ 20,837	$ 10,071	$ 56,063	$ 52,161	$ 16,546
Investments	22,375	16,559	16,636	1,264	—
Due From Primary Government	—	—	—	—	—
Accounts Receivable	95	8,402	3,381	10,304	11,739
Due From Other Governments	—	—	—	—	—
Mortgages, Notes, and Loans Receivable	—	—	—	7,192	—
Lease Receivable	—	—	—	4,355	—
Securities Lending Collateral	105	—	—	—	—
Inventory	256	8,210	93	1,787	147
Restricted Assets	—	1,069	—	—	—
Other Assets	—	1,059	2,826	753	—
Capital Assets, Net of Accumulated Depreciation	1,041	49,950	52,982	50,668	22,431
Capital Assets Not Depreciated	82,206	44,862	10,662	30,732	5,402
TOTAL ASSETS	**126,915**	**140,182**	**142,643**	**159,216**	**56,265**
DEFERRED OUTFLOWS OF RESOURCES	**2,869**	**81,835**	**20,714**	**5,648**	**7,028**
LIABILITIES					
Warrants Payable	160	—	—	—	—
Due To Primary Government	55	—	—	—	—
Accounts Payable	807	8,241	3,719	5,927	178
Due To Other Governments	62	—	—	—	—
Securities Lending Obligation	105	—	—	—	—
Unearned Revenue	—	409	8,924	3,391	14,171
Amounts Held in Custody for Others	—	438	—	—	315
Noncurrent Liabilities:					
Due Within One Year	73	238	1,532	1,159	160
Due in More Than One Year	11,240	150,694	53,855	18,812	17,056
TOTAL LIABILITIES	**12,502**	**160,020**	**68,030**	**29,289**	**31,880**
DEFERRED INFLOWS OF RESOURCES	**1,317**	**45,089**	**13,615**	**9,414**	**4,651**
NET POSITION					
Net Investment in Capital Assets	83,086	94,812	59,011	66,996	29,709
Restricted for:					
Permanent - Non-expendable	14,663	11,865	7,341	—	—
Capital Projects	—	—	—	—	56
Other Purposes	—	53	21,976	1,241	207
Unrestricted	18,216	(89,822)	(6,616)	57,924	(3,210)
TOTAL NET POSITION	**$ 115,965**	**$ 16,908**	**$ 81,712**	**$ 126,161**	**$ 26,762**

Crime Victims Compensation Commission	Supercomputer Authority	U.S.S Alabama Battleship Commission	Historic Ironworks Commission	Red Mountain Recreation Commission	Alabama Transportation Infrastructure Bank	Miscellaneous Component Units	Totals
$ 196	$ 17,544	$ 7,374	$ 186	$ 2,500	$ 14,287	$ 10,579	$ 208,344
6,403	—	10,177	—	—	721	1,397	75,532
2	105	—	—	—	—	—	107
—	—	245	267	173	—	—	34,606
—	—	—	—	—	65,530	19	65,549
—	—	—	—	—	—	8,824	16,016
—	—	—	—	—	—	—	4,355
—	—	—	—	—	—	—	105
—	—	301	12	—	—	—	10,806
—	—	—	—	—	—	—	1,069
—	—	83	—	—	—	197	4,918
796	2,750	12,468	2,877	1,056	—	460	197,479
—	—	1,157	1,041	7,659	—	161	183,882
7,397	**20,399**	**31,805**	**4,383**	**11,388**	**80,538**	**21,637**	**802,768**
846	**940**	**2,047**	**489**	**1,041**	**—**	**632**	**124,089**
—	—	—	—	—	—	—	160
48	6	—	—	—	—	2	111
109	4,687	456	115	40	—	20	24,299
—	23	—	—	—	1,096	—	1,181
—	—	—	—	—	—	—	105
—	—	—	—	—	—	—	26,895
—	—	—	—	—	—	—	753
2,070	155	—	140	11	3,185	1	8,724
3,318	6,079	2,821	1,680	1,622	76,287	1,243	344,707
5,545	**10,950**	**3,277**	**1,935**	**1,673**	**80,568**	**1,266**	**406,935**
395	**514**	**1,052**	**210**	**219**	**—**	**223**	**76,699**
795	2,749	13,625	3,789	8,714	—	623	363,909
—	—	—	—	—	—	—	33,869
—	—	—	—	—	—	—	56
—	—	—	—	—	—	—	23,477
1,508	7,126	15,898	(1,062)	1,823	(30)	20,157	21,912
$ 2,303	**$ 9,875**	**$ 29,523**	**$ 2,727**	**$ 10,537**	**$ (30)**	**$ 20,780**	**$ 443,223**

COMBINING STATEMENT OF ACTIVITIES

Other Nonmajor Component Units

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Historical Commission	Alabama Institute for the Deaf and Blind	Athens State University	Space Science Exhibit Commission	Marine Environmental Sciences Consortium
Expenses	**$ 20,098**	**$ 139,785**	**$ 57,944**	**$ 48,306**	**$ 33,370**
Program Revenues					
Charges for Services	2,206	29,071	23,408	44,328	4,471
Operating Grants and Contributions	2,688	27,560	14,316	—	23,879
Capital Grants and Contributions	—	2,112	—	14,232	—
Total Program Revenues	**4,894**	**58,743**	**37,724**	**58,560**	**28,350**
Net (Expense) Revenue	**(15,204)**	**(81,042)**	**(20,220)**	**10,254**	**(5,020)**
General Revenues:					
Payments from State of Alabama	19,241	80,728	29,893	7,535	6,250
Unrestricted Investment Earnings	1,831	2,546	2,835	2,242	546
Miscellaneous	9	758	1,174	—	—
Total General Revenues	**21,081**	**84,032**	**33,902**	**9,777**	**6,796**
Change in Net Position	**5,877**	**2,990**	**13,682**	**20,031**	**1,776**
Beginning Balance	110,088	13,918	68,030	106,130	24,986
Restatements	—	—	—	—	—
Net Position, October 1, 2024, as Restated	110,088	13,918	68,030	106,130	24,986
Net Position, September 30, 2025	**$ 115,965**	**$ 16,908**	**$ 81,712**	**$ 126,161**	**$ 26,762**

Crime Victims Compensation Commission	Supercomputer Authority	U.S.S Alabama Battleship Commission	Historic Ironworks Commission	Red Mountain Recreation Commission	Alabama Transportation Infrastructure Bank	Miscellaneous Component Units	Totals
$ 5,173	**$ 27,406**	**$ 7,085**	**$ 2,283**	**$ 1,697**	**$ 8,640**	**$ 2,665**	**$ 354,452**
3,940	3,213	7,485	1,812	—	7,382	1,852	129,168
619	—	896	249	2,542	—	8,029	80,778
—	—	—	—	—	—	—	16,344
4,559	**3,213**	**8,381**	**2,061**	**2,542**	**7,382**	**9,881**	**226,290**
(614)	**(24,193)**	**1,296**	**(222)**	**845**	**(1,258)**	**7,216**	**(128,162)**
1,500	24,909	—	—	—	—	400	170,456
551	—	497	—	81	1,258	551	12,938
2	—	—	—	—	—	18	1,961
2,053	**24,909**	**497**	**—**	**81**	**1,258**	**969**	**185,355**
1,439	**716**	**1,793**	**(222)**	**926**	**—**	**8,185**	**57,193**
864	9,159	27,730	2,949	9,611	(30)	12,595	386,030
—	—	—	—	—	—	—	—
864	9,159	27,730	2,949	9,611	(30)	12,595	386,030
$ 2,303	**$ 9,875**	**$ 29,523**	**$ 2,727**	**$ 10,537**	**$ (30)**	**$ 20,780**	**$ 443,223**

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
ALABAMA RIVER
TOMBIGBEE
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Supplemental Statements and Schedules

Supplemental Statements and Schedules presents schedules and statements which bring together information spread throughout the statements, presents information in greater detail, or presents information that demonstrates legal compliance.

SCHEDULE OF FEDERAL REVENUES BY AGENCY

All Funds and Component Units, Excluding Amounts Received Directly by Higher Education

For the Fiscal Year Ended September 30, 2025

(Amounts in Thousands)

	Amount
911 Board	$ 17
Administrative Office Of Courts	468
Agriculture and Industries	17,824
Attorney General	1,245
Bureau of Pardons and Paroles	44
Child Abuse and Neglect Prevention Board	932
Choctawhatchee Pea Yellow Rivers Watershed Authority	44
Commerce	31,068
Commission on Higher Education	151
Conservation and Natural Resources	89,356
Council on the Arts	974
Crime Victims Compensation Commission	619
Drinking Water Finance Authority	14,192
Early Childhood Education	9,146
Economic and Community Affairs	417,525
Education	1,396,533
Emergency Management Agency	53,842
Environmental Management	219,645
Finance-Special Funds	187,098
Forensic Sciences	1,898
Forestry Commission	6,218
Geological Survey	1,541
Governor's Office of Volunteer Services	1,650
High School of Math and Science	148
Historical Commission	2,558
Housing Finance Authority	22,667
Human Resources	2,437,512
Law Enforcement Agency	32,019
Manufactured Housing Commission	494
Medicaid Agency	6,749,880
Mental Health	91,831
Military	67,782
Office of Information Technology	97
Office of Prosecution Services	546
Oil and Gas Board	995
Public Health	782,438
Public Library Services	2,493
Public School and College Authority	12,595
Public Service Commission	1,025
Rehabilitation Services	103,583
School of Fine Arts	12
Secretary of State	273
Senior Services	33,300
Soil and Water Conservation Commission	2,313
State Port Authority	84,116
Surface Mining Commission	1,257
Transportation	1,288,290
Veterans Affairs	109,152
Workforce	98,844
Water Pollution Control Authority	21,525
Total Federal Revenues	**$ 14,399,775**

This part of the State of Alabama's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends **Page 327**

These schedules contain trend information to help the reader understand how the State's financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Fund

Revenue Capacity **Page 337**

These schedules contain information to help the reader assess the factors affecting the State's ability to generate its individual income tax and corporate income tax.

- Major Revenue Base
- Revenue Rates
- Principal Revenue Payers

Debt Capacity **Page 345**

These schedules present information that helps the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

- Ratios of Outstanding Debt
- Ratios of General Bonded Debt Outstanding
- Debt Limitations
- Pledged Revenue Coverage

Demographic and Economic Information **Page 353**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

- Labor Force Statistics
- Population/Per Capita Personal Income Statistics
- Top Ten Employers in Alabama

Operating Information **Page 357**

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

- State Government Employment by Function
- Indicators of Demand or Level of Service
- Indicators of Volume, Usage and Nature of Capital Assets

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.
Note: The number of years presented on each schedule varies according to available data.

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Amounts in Thousands)

	2025	2024	2023	2022	2021
Governmental Activities					
Net Investment in Capital Assets	$23,029,757	$ 22,629,984	$ 21,703,866	$ 21,145,379	$ 21,006,618
Restricted	16,263,250	16,394,737	16,235,182	15,488,559	13,127,851
Unrestricted	(6,038,497)	(6,709,603)	(7,637,256)	(8,398,208)	(8,837,613)
Total Governmental Activities Net Position	**33,254,510**	**32,315,118**	**30,301,792**	**28,235,730**	**25,296,856**
Business-type Activities					
Net Investment in Capital Assets	21,822	424,437	406,302	362,523	335,839
Restricted	1,181,321	1,150,038	998,607	880,979	617,142
Unrestricted	129,587	131,800	61,759	30,792	9,672
Total Business-type Activities Net Position	**1,332,730**	**1,706,275**	**1,466,668**	**1,274,294**	**962,653**
Primary Government					
Net Investment in Capital Assets	23,051,579	23,054,421	22,110,168	21,507,902	21,342,457
Restricted	17,444,571	17,544,775	17,233,789	16,369,538	13,744,993
Unrestricted	(5,908,910)	(6,577,803)	(7,575,497)	(8,367,416)	(8,827,941)
Total Primary Government Net Position	**$34,587,240**	**$ 34,021,393**	**$ 31,768,460**	**$ 29,510,024**	**$ 26,259,509**

GASB 68 and GASB 73 added pension liabilities in 2015 and 2017, respectively. 2016 fund balance/net position was restated for GASB 68 and GASB 73 because it was not practical to restate prior years. 2017 fund balance/net position was restated for GASB 75 Net OPEB liability because it was not practical to restate years prior to 2017.

2020	2019	2018	2017	2016
$ 20,773,154	$ 20,598,076	$ 20,564,785	$ 20,544,621	$ 20,408,863
9,459,541	8,876,409	8,366,993	8,606,626	7,376,079
(8,321,652)	(9,012,764)	(9,597,426)	(10,447,520)	(7,707,397)
21,911,043	**20,461,721**	**19,334,352**	**18,703,727**	**20,077,545**
309,525	297,463	306,317	309,115	297,816
530,848	751,669	675,693	605,930	567,493
6,140	(4,285)	(19,800)	(30,399)	(67,811)
846,513	**1,044,847**	**962,210**	**884,646**	**797,498**
21,082,679	20,895,539	20,871,102	20,853,736	20,706,679
9,990,389	9,628,078	8,988,164	9,212,556	7,943,572
(8,315,512)	(9,017,049)	(9,617,226)	(10,477,919)	(7,775,208)
$ 22,757,556	**$ 21,506,568**	**$ 20,242,040**	**$ 19,588,373**	**$ 20,875,043**

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Amounts in Thousands)

	2025	2024	2023	2022	2021
Expenses					
Governmental Activities					
Economic Development and Regulation	$ 180,391	$ 212,427	$ 193,088	$ 157,493	$ 204,741
Education and Cultural Resources	12,583,272	12,806,084	12,305,011	10,602,949	9,151,901
Natural Resources and Recreation	258,661	238,248	223,790	207,540	208,426
Health	11,006,255	10,818,463	10,469,643	9,323,338	8,809,281
Social Services	3,705,572	3,581,939	4,277,149	4,198,088	3,498,818
Protection of Persons and Property	2,251,657	1,736,121	1,868,192	1,874,409	2,543,302
Transportation	1,568,926	1,446,138	1,407,933	1,756,869	1,538,344
General Government	2,509,271	2,831,463	2,076,706	1,885,599	1,544,688
Debt Service - Principal Retirement	305	—	—	—	—
Debt Service - Interest and Other Charges	168,713	177,450	188,554	169,030	187,691
Total Governmental Activities Expenses	**34,233,023**	**33,848,333**	**33,010,066**	**30,175,315**	**27,687,192**
Business-type Activities					
Unemployment Compensation	75,539	103,162	69,880	127,993	1,689,218
State Port Authority*	—	214,320	196,306	171,623	154,053
Alcoholic Beverage Control Board	484,967	501,349	465,497	427,541	416,157
Nonmajor Proprietary Funds	207,116	155,962	145,276	112,838	128,582
Total Business-type Activities Expenses	**767,622**	**974,793**	**876,959**	**839,995**	**2,388,010**
Total Primary Governmental Expenses	**35,000,645**	**34,823,126**	**33,887,025**	**31,015,310**	**30,075,202**
Program Revenues					
Governmental Activities					
Charges for Services:					
Economic Development and Regulation	128,861	135,136	112,752	111,628	121,319
Education and Cultural Resources	90,119	73,557	27,734	48,983	38,215
Natural Resources and Recreation	150,263	151,292	146,918	117,564	113,799
Health	538,980	587,300	626,778	554,016	568,824
Social Services	51,525	49,938	43,175	27,522	31,728
Protection of Persons and Property	529,058	557,510	537,998	437,702	481,212
Transportation	261,824	248,635	234,136	604,801	259,066
General Government	744,051	728,946	611,301	302,641	611,419
Operating Grants and Contributions	13,140,832	14,285,446	14,588,512	13,908,327	12,098,999
Capital Grants and Contributions	1,365,562	1,207,771	980,354	1,008,303	1,058,493
Total Governmental Activities Program Revenues	**17,001,075**	**18,025,531**	**17,909,658**	**17,121,487**	**15,383,074**
Business-type Activities					
Charges for Services:					
Unemployment Compensation	138,192	161,785	189,143	267,966	270,296
State Port Authority*	—	200,169	187,156	162,000	152,573
Alcoholic Beverage Control Board	537,008	533,321	535,732	489,834	482,329
Nonmajor Proprietary Funds	214,483	219,456	171,159	123,256	119,575
Operating Grants and Contributions	1,867	102,003	13,093	59,238	1,511,807
Capital Grants and Contributions	49	13,138	6,540	2,611	5,589
Total Business-type Activities Program Revenues	**891,599**	**1,229,872**	**1,102,823**	**1,104,905**	**2,542,169**
Total Primary Governmental Program Revenues	**$ 17,892,674**	**$ 19,255,403**	**$ 19,012,481**	**$ 18,226,392**	**$ 17,925,243**

GASB 68 and GASB 73 added pension liabilities in 2015 and 2017, respectively. 2016 fund balance/net position was restated for GASB 68 and GASB 73 because it was not practical to restate prior years. 2017 fund balance/net position was restated for GASB 75 Net OPEB liability because it was not practical to restate years prior to 2017.

**As of fiscal year 2025, State Port Authority is no longer considered a Business-type Activity but is now considered a nonmajor component unit.*

2020	2019	2018	2017	2016
$ 159,098	$ 153,261	$ 139,139	$ 155,796	$ 159,378
8,470,516	7,939,340	7,462,779	7,168,714	7,122,455
157,192	148,015	142,306	151,843	158,738
8,048,514	7,878,317	7,446,780	7,419,732	6,969,940
2,719,230	2,253,620	2,213,061	2,403,668	2,255,358
1,688,055	1,327,332	1,076,783	1,233,440	1,297,498
1,700,982	1,687,336	1,818,880	1,532,866	1,566,123
1,413,374	1,351,633	1,215,056	1,048,882	835,119
—	—	—	—	—
155,912	169,286	184,975	182,655	159,894
24,512,873	**22,908,140**	**21,699,759**	**21,297,596**	**20,524,503**
3,709,041	150,096	158,959	174,746	195,664
146,232	151,565	133,083	131,405	133,920
377,370	351,058	323,013	328,276	312,783
111,013	82,759	83,957	70,093	68,955
4,343,656	**735,478**	**699,012**	**704,520**	**711,322**
28,856,529	**23,643,618**	**22,398,771**	**22,002,116**	**21,235,825**
99,560	101,505	95,566	153,247	114,363
38,692	51,711	43,920	50,197	48,229
116,297	99,712	92,521	79,727	121,507
542,733	474,218	532,333	496,447	428,927
55,073	53,366	25,546	65,738	65,509
408,964	421,585	394,248	303,477	279,372
240,045	258,816	204,839	187,680	184,158
495,492	497,015	195,604	266,178	281,405
10,110,656	9,284,376	8,786,793	8,759,602	8,515,413
1,038,188	1,160,688	1,024,637	924,667	941,948
13,145,700	**12,402,992**	**11,396,007**	**11,286,960**	**10,980,831**
206,462	232,912	237,593	248,199	278,534
140,217	160,078	136,306	128,542	120,079
422,076	378,578	351,262	336,351	327,189
105,489	97,274	92,172	100,679	96,224
2,912,623	3,163	2,567	11,142	5,029
7,539	—	—	125	7,894
3,794,406	**872,005**	**819,900**	**825,038**	**834,949**
$ 16,940,106	**$ 13,274,997**	**$ 12,215,907**	**$ 12,111,998**	**$ 11,815,780**

Continued on next page...

CHANGES IN NET POSITION *Continued from previous page*

Last Ten Fiscal Years

(Amounts in Thousands)

	2025	2024	2023	2022	2021
Net (Expense)/Revenue					
Governmental Activities	$ (17,231,948)	$ (15,822,802)	$ (15,100,408)	$ (13,053,828)	$ (12,304,118)
Business Activities	123,977	255,079	225,864	264,910	154,159
Total Primary Government					
Net (Expense) Revenue	**(17,107,971)**	**(15,567,723)**	**(14,874,544)**	**(12,788,918)**	**(12,149,959)**
General Revenues and Other Changes in Net Position					
Governmental Activities					
Sales and Use Taxes	4,305,485	4,159,745	4,187,309	4,060,434	3,653,790
Income Taxes	7,623,581	7,345,407	7,165,194	7,393,846	5,803,826
Motor Fuels Taxes	1,015,452	990,455	953,604	953,062	882,634
Utility Taxes	652,180	636,042	633,681	624,254	573,006
Insurance Premium Tax	712,683	621,384	574,576	542,762	474,622
Property Tax	594,252	567,842	547,431	481,877	431,693
Liquor Taxes	265,788	270,590	264,315	259,760	250,742
Tobacco and Cigarette Taxes	123,395	136,997	146,452	158,083	171,272
Grants/Contributions Not Restricted to Specific Programs	483,513	288,892	475,783	726,632	1,343,814
Unrestricted Investment Earnings	932,263	1,274,031	764,817	(600,112)	677,498
Miscellaneous	1,398,688	1,325,073	1,399,578	1,414,231	1,369,206
Transfers	64,060	30,926	53,730	(21,431)	56,644
Total Governmental Activities	**18,171,340**	**17,647,384**	**17,166,470**	**15,993,398**	**15,688,747**
Business-type Activities					
Liquor Taxes	14,710	14,799	15,374	14,948	16,886
Miscellaneous	(590)	655	4,866	1,849	1,739
Transfers	(64,060)	(30,926)	(53,730)	21,431	(56,644)
Total Business-type Activities	**(49,940)**	**(15,472)**	**(33,490)**	**38,228**	**(38,019)**
Total Primary Government					
General Revenues and Other Changes	**18,121,400**	**17,631,912**	**17,132,980**	**16,031,626**	**15,650,728**
Change in Net Position					
Governmental Activities	939,392	1,824,582	2,066,062	2,939,570	3,384,629
Business-type Activities	74,037	239,607	192,374	303,138	116,140
Total Primary Government Change in Net Position	**$ 1,013,429**	**$ 2,064,189**	**$ 2,258,436**	**$ 3,242,708**	**$ 3,500,769**

GASB 68 and GASB 73 added pension liabilities in 2015 and 2017, respectively. 2016 fund balance/net position was restated for GASB 73.

2020	2019	2018	2017	2016
$ (11,367,173)	$ (10,505,148)	$ (10,303,752)	$ (10,010,636)	$ (9,543,672)
(549,250)	136,527	120,888	120,518	123,627
(11,916,423)	**(10,368,621)**	**(10,182,864)**	**(9,890,118)**	**(9,420,045)**
3,185,463	3,003,023	2,818,868	2,679,492	2,663,197
4,773,225	4,690,366	4,269,203	4,021,968	3,803,755
770,333	617,109	585,054	581,428	581,415
582,450	612,395	603,358	598,233	595,498
437,752	413,754	387,040	334,479	320,046
406,646	394,047	371,291	359,826	353,137
222,597	209,796	195,675	190,854	181,229
176,037	173,778	183,774	185,276	193,992
989,614	2,687	3,071	5,037	3,419
318,707	247,140	251,189	348,038	258,207
1,284,656	1,200,645	1,151,539	1,120,197	1,112,012
(329,801)	67,777	59,792	50,983	55,350
12,817,679	**11,632,517**	**10,879,854**	**10,475,811**	**10,121,257**
14,513	13,780	14,694	13,317	11,453
6,602	107	1,774	364	81
329,801	(67,777)	(59,792)	(50,983)	(55,350)
350,916	**(53,890)**	**(43,324)**	**(37,302)**	**(43,816)**
13,168,595	**11,578,627**	**10,836,530**	**10,438,509**	**10,077,441**
1,450,506	1,127,369	576,102	465,175	577,585
(198,334)	82,637	77,564	83,216	79,811
$ 1,252,172	**$ 1,210,006**	**$ 653,666**	**$ 548,391**	**$ 657,396**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Amounts in Thousands)

	2025	2024	2023	2022	2021
General Fund					
Nonspendable	$ 12,792	$ 448	$ 2,828	$ 4,035	$ 4,035
Assigned	16,287	14,290	11,126	7,475	6,065
Unassigned	2,247,841	2,017,181	1,699,863	1,340,316	1,341,321
Total General Fund	**$ 2,276,920**	**$ 2,031,919**	**$ 1,713,817**	**$ 1,351,826**	**$ 1,351,421**
All Other Governmental Funds					
Nonspendable	$ 148,943	$ 145,279	$ 139,208	$ 132,972	$ 145,313
Restricted	15,379,665	15,481,347	15,318,298	14,657,840	8,583,354
Assigned	158,623	88,373	93,603	92,603	71,691
Unassigned	—	—	—	—	105,811
Total All Other Governmental Funds	**$15,687,231**	**$15,714,999**	**$15,551,109**	**$14,883,415**	**$ 8,906,169**

GASB 68 and GASB 73 added pension liabilities in 2015 and 2017, respectively. 2016 fund balance/net position was restated for GASB 68 and GASB 73 because it was not practical to restate prior years. 2017 fund balance/net position was restated for GASB 75 Net OPEB liability because it was not practical to restate years prior to 2017.

2020	2019	2018	2017	2016
$ 4,035	$ 2,612	$ 2,795	$ 4,196	$ 3,642
5,824	3,082	2,937	2,203	3,522
891,129	695,542	596,957	431,095	181,040
$ 900,988	**$ 701,236**	**$ 602,689**	**$ 437,494**	**$ 188,204**
$ 132,944	$ 129,481	$ 123,057	$ 119,622	$ 111,810
7,907,675	7,338,783	7,595,158	6,413,184	6,196,422
43,747	43,676	89,689	439,510	49,035
(22,272)	(54,614)	(154,985)	(467,738)	(117,424)
$ 8,062,094	**$ 7,457,326**	**$ 7,652,919**	**$ 6,504,578**	**$ 6,239,843**

CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts in Thousands)

	2025	2024	2023	2022	2021
Revenues					
Taxes	$16,504,663	$15,962,719	$15,676,497	$15,702,373	$13,461,804
Licenses, Permits, and Fees	1,482,776	1,459,648	1,403,286	1,404,205	1,383,632
Fines, Forfeits, and Court Settlements	228,965	250,778	281,702	222,144	260,183
Investment Income	1,091,015	1,531,522	919,961	(689,869)	786,589
Federal Grants and Reimbursements	14,262,505	15,045,085	15,495,931	15,111,583	13,947,104
Other Revenues	1,499,279	1,449,083	1,197,132	1,391,539	1,177,618
Total Revenues	**35,069,203**	**35,698,835**	**34,974,509**	**33,141,975**	**31,016,930**
Expenditures					
Economic Development and Regulation	179,887	219,342	193,330	171,818	208,029
Education and Cultural Resources	12,537,107	12,786,647	12,321,276	10,415,797	9,137,751
Natural Resources and Recreation	307,953	290,140	242,954	242,376	221,881
Health	10,960,878	10,799,943	10,464,388	9,362,937	8,857,161
Social Services	3,690,997	3,660,141	4,385,793	4,303,915	3,589,056
Protection of Persons and Property	1,864,545	1,769,736	1,814,615	2,015,435	2,635,454
Transportation	2,190,206	1,984,257	1,696,203	1,869,063	1,806,668
General Government	2,615,474	2,842,112	2,123,255	1,922,828	1,578,286
Capital Outlay	473,664	324,919	216,938	40,836	21,946
Debt Service - Principal Retirement	747,381	449,487	457,974	442,651	412,059
Debt - Interest and Other Charges	204,680	214,366	226,125	214,514	219,317
Total Expenditures	**35,772,772**	**35,341,090**	**34,142,851**	**31,002,170**	**28,687,608**
Other Financing Sources (Uses)					
Transfers In	6,288,040	5,930,833	5,167,361	5,310,733	5,357,720
Subscription-based IT	—	—	3,649	—	—
Bonds Issued	250,000	37,512	110,000	595,020	1,480,835
Refunding Bonds Issued	340,590	—	—	1,478,517	—
Capital Leases	231,141	63,142	24,787	63,751	18,885
Other Debt Issued	—	—	—	—	—
Debt Issuance Premiums	60,616	—	6,795	50,816	342,690
Debt Issuance Discounts	—	—	—	—	—
Insurance Recovery Proceeds	24,215	6,795	8,314	7,296	9,480
Transfers Out	(6,233,299)	(5,909,675)	(5,123,145)	(5,551,433)	(5,345,925)
Payments to Refunded Bond Escrow Agent	(51,382)	—	—	(1,475,136)	(247,697)
Total Other Financing Sources (Uses)	**909,921**	**128,607**	**197,761**	**479,564**	**1,615,988**
Net Increase (Decrease) for the Year	**$ 206,352**	**$ 486,352**	**$ 1,029,419**	**$2,619,369**	**$3,945,310**
Debt Service as a Percentage of Noncapital Expenditures	2.74 %	1.94 %	2.04 %	2.14 %	2.23 %

GASB 68 and GASB 73 added pension liabilities in 2015 and 2017, respectively. 2016 fund balance/net position was restated for GASB 68 and GASB 73, respectively, because it was not practical to restate prior years. Only 2017 fund balance/net position was restated for GASB 75 Net OPEB liability because it was not practical to restate years prior to 2017.

2020	2019	2018	2017	2016
$11,698,109	$11,182,962	$10,434,236	$9,937,261	$9,688,071
1,296,971	921,893	913,122	957,711	838,784
197,922	219,283	205,654	199,515	214,692
390,344	312,428	300,875	411,961	321,849
11,580,665	9,836,870	9,239,012	9,149,105	8,845,712
1,143,950	1,224,606	1,165,726	1,085,239	1,194,666
26,307,961	**23,698,042**	**22,258,625**	**21,740,792**	**21,103,774**
164,168	151,081	137,168	141,781	132,869
8,401,839	7,882,290	7,416,955	7,269,649	6,999,242
206,119	170,192	222,563	219,683	169,372
8,096,409	7,877,623	7,456,630	7,348,838	6,983,426
2,772,405	2,258,663	2,208,341	2,288,852	2,292,200
1,654,607	1,278,467	1,171,961	1,146,759	1,131,237
1,941,239	1,935,522	2,097,543	1,795,101	1,790,045
1,420,926	1,032,046	975,807	938,677	940,680
39,773	48,791	26,360	46,047	48,824
324,815	379,195	359,976	304,997	288,565
200,186	215,709	228,942	219,655	194,992
25,222,486	**23,229,579**	**22,302,246**	**21,720,039**	**20,971,452**
4,389,425	3,504,949	3,311,528	3,410,241	2,933,652
—	—	—	—	—
118,460	338,880	18,455	1,281,755	155,115
—	—	—	245,115	21,660
6,992	2,889	5,880	7,150	19,836
—	—	—	—	3,163
32,155	26,625	1,421	166,365	21,114
—	—	—	(2,587)	—
5,238	5,277	3,646	3,912	2,567
(4,801,566)	(3,509,255)	(3,331,991)	(3,439,907)	(2,942,444)
—	(160,819)	—	(299,211)	(21,885)
(249,296)	**208,546**	**8,939**	**1,372,833**	**192,778**
$ 836,179	**$ 677,009**	**$ (34,682)**	**$1,393,586**	**$ 325,100**
2.11 %	2.60 %	2.69 %	2.47 %	2.34 %

REVENUE CAPACITY
Major Revenue Base: Personal Income by Industry

Last Ten Years
(Amounts in Thousands)

Industry	2025	2024	2023	2022	2021
Mining	$ 865,128	$ 797,349	$ 904,411	$ 520,521	$ 643,365
Utilities	2,327,833	2,292,955	2,236,923	2,264,166	2,298,712
Construction	12,952,345	11,809,820	10,858,258	10,075,311	9,442,721
Manufacturing	27,132,499	25,718,799	24,198,206	21,673,837	20,021,805
Wholesale Trade	8,900,646	8,546,771	8,048,909	7,499,316	6,830,427
Retail Trade	11,959,552	11,686,352	11,062,269	10,668,044	9,514,764
Transportation and warehousing	6,707,299	6,672,168	6,378,003	5,860,849	5,039,864
Finance and insurance	9,570,008	9,185,033	8,692,390	8,391,446	7,866,691
Professional and technical services	17,913,847	16,943,454	15,460,354	14,159,281	13,187,413
Government and government enterprises	36,439,118	34,014,528	31,390,939	30,196,645	29,249,491
All other	160,822,210	151,817,373	143,195,132	144,372,855	126,783,107
Total Personal Income	**295,590,485**	**279,484,602**	**262,425,794**	**255,682,271**	**230,878,360**
State Income Taxes	**$ 5,350,634**	**$ 5,074,736**	**$ 5,826,320**	**$ 4,640,563**	**$ 4,261,792**
Average Effective Rate*	1.81 %	1.82 %	2.22 %	1.81 %	1.85 %

Note: Year 2024 is the most recent year for which data are available.
Source: Bureau of Economic Analysis, U.S. Department of Commerce, Department of Revenue
*Note: The average rate for personal income equals state income taxes divided by total personal income.

2020	2019	2018	2017	2016
$ 870,018	$ 972,049	$ 605,054	$ 261,008	$ 545,323
2,199,555	2,050,699	1,937,603	1,995,599	1,867,814
9,082,050	8,090,741	7,555,671	7,269,608	7,024,538
19,954,039	19,318,150	18,513,341	18,005,485	17,611,004
6,478,398	6,223,762	5,914,277	5,725,518	5,725,834
8,944,953	8,549,522	8,271,325	8,141,958	7,918,453
4,966,039	5,061,439	4,530,923	4,143,088	3,993,765
7,359,686	7,220,310	6,945,263	6,553,032	6,484,588
12,424,810	11,803,773	11,108,286	10,414,640	10,090,726
28,040,666	27,177,091	26,589,015	26,148,231	25,579,012
114,831,578	109,206,654	105,993,011	102,213,653	100,633,687
215,151,792	**205,674,190**	**197,963,769**	**190,871,820**	**187,474,744**
$ 4,463,770	**$ 3,835,242**	**$ 3,633,130**	**$ 3,500,390**	**$ 3,401,776**
2.07 %	1.86 %	1.84 %	1.83 %	1.81 %

REVENUE CAPACITY
Revenue Rates: Individual and Corporate Income Tax Rates

Last Ten Calendar Years

Filing Status	**2016-2025**
Taxable Net Income Level	Tax Rate
Single	Gross Income of $4,000 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Head of Family	Gross Income of $7,700 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Married Filing Separate	Gross Income of $5,250 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Married Filing Jointly	Gross Income of $10,500 or more
Not Over $1,000	2%
Over $1,000 But Not Over $6,000	4%
Over $6,000	5%

	2016-2025
Corporate Income Tax Rate	6.5%

Source: Alabama Department of Revenue

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
COOSA RIVER
BLACK RIVER
CAHABA R.
TALLAPOOSA R.
TOMBIGBEE
ALABAMA RIVER
CONECUH RIVER
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

REVENUE CAPACITY
Principal Revenue Payers: Individual Income Tax Filers and Liability

Last Ten Years

For Tax Year 2024

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	418,895	20 %	$ 20,883	0 %
12,001 - 24,000	315,501	15	134,053	2
24,001 - 39,000	347,103	16	347,561	6
39,001 - 60,000	316,451	15	520,339	10
60,001 - 80,000	186,634	9	442,600	8
OVER 80,000	519,162	25	4,010,981	73
TOTAL	**2,103,746**	**100 %**	**$ 5,476,417**	**100 %**

For Tax Year 2023

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	430,203	21 %	$ 21,117	0 %
12,001 - 24,000	315,405	15	133,607	3
24,001 - 39,000	331,441	16	335,221	7
39,001 - 60,000	316,121	15	533,074	11
60,001 - 80,000	189,055	9	457,032	9
OVER 80,000	504,455	24	3,562,311	70
TOTAL	**2,086,680**	**100 %**	**$ 5,042,362**	**100 %**

For Tax Year 2022

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	436,986	21 %	$ 22,842	0 %
12,001 - 24,000	329,789	16	138,525	3
24,001 - 39,000	339,684	16	340,488	7
39,001 - 60,000	310,035	15	519,340	11
60,001 - 80,000	181,737	9	436,758	9
OVER 80,000	474,286	23	3,341,814	70
TOTAL	**2,072,517**	**100 %**	**$ 4,799,767**	**100 %**

For Tax Year 2021

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	480,336	23 %	$ 28,117	1 %
12,001 - 24,000	334,278	16	152,035	3
24,001 - 39,000	334,812	17	345,036	6
39,001 - 60,000	294,825	15	493,315	9
60,001 - 80,000	172,208	8	410,239	7
OVER 80,000	434,112	21	4,169,172	74
TOTAL	**2,050,571**	**100 %**	**$ 5,597,914**	**100 %**

For Tax Year 2020

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	566,841	27 %	$ 29,658	1 %
12,001 - 24,000	352,371	16	157,248	4
24,001 - 39,000	332,975	16	339,260	8
39,001 - 60,000	288,602	14	480,623	12
60,001 - 80,000	164,814	8	390,982	10
OVER 80,000	401,088	19	2,589,981	65
TOTAL	**2,106,691**	**100 %**	**$ 3,987,752**	**100 %**

Note: Due to legal confidentiality issues, the names of the ten largest individual income tax payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's income tax revenue.
Source: Alabama Department of Revenue
Year 2024 is the most recent data available.

For Tax Year 2019

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	482,113	24 %	$ 29,671	1 %
12,001 - 24,000	380,639	19	168,280	4
24,001 - 39,000	341,022	17	343,541	9
39,001 - 60,000	290,363	14	478,289	13
60,001 - 80,000	164,579	8	386,753	10
OVER 80,000	386,566	18	2,373,542	63
TOTAL	**2,045,282**	**100 %**	**$ 3,780,076**	**100 %**

For Tax Year 2018

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	467,888	24 %	$ 28,881	1 %
12,001 - 24,000	373,836	19	162,890	5
24,001 - 39,000	324,050	16	323,292	9
39,001 - 60,000	277,649	14	451,273	13
60,001 - 80,000	157,909	8	367,614	10
OVER 80,000	369,250	19	2,221,862	62
TOTAL	**1,970,582**	**100 %**	**$ 3,555,812**	**100 %**

For Tax Year 2017

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	476,613	25 %	$ 27,745	1 %
12,001 - 24,000	381,252	20	158,252	5
24,001 - 39,000	320,278	16	304,811	10
39,001 - 60,000	269,930	14	415,002	13
60,001 - 80,000	153,946	8	341,044	11
OVER 80,000	343,046	17	1,886,949	60
TOTAL	**1,945,065**	**100 %**	**$ 3,133,803**	**100 %**

For Tax Year 2016

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	479,395	25 %	$ 27,245	1 %
12,001 - 24,000	380,286	20	155,519	5
24,001 - 39,000	315,870	16	298,319	10
39,001 - 60,000	264,269	14	403,442	13
60,001 - 80,000	150,948	8	332,486	11
OVER 80,000	328,986	17	1,797,290	60
TOTAL	**1,919,754**	**100 %**	**$ 3,014,301**	**100 %**

For Tax Year 2015

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	468,533	25 %	$ 26,941	1 %
12,001 - 24,000	378,789	20	153,715	5
24,001 - 39,000	312,421	16	294,605	10
39,001 - 60,000	261,297	14	397,933	14
60,001 - 80,000	150,287	8	331,181	11
OVER 80,000	321,801	17	1,729,039	59
TOTAL	**1,893,128**	**100 %**	**$ 2,933,414**	**100 %**

REVENUE CAPACITY
Principal Revenue Payers: Corporate Income Tax Filers and Liability

Last Ten Years

For Tax Year 2023

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	35,455	81 %	$ 6,591	0 %
50,001 - 100,000	1,692	4	7,875	1
100,001 - 500,000	3,468	8	53,433	4
500,001 - 1,000,000	1,090	2	49,843	4
1,000,001 and higher	2,032	5	1,245,496	91
TOTAL	**43,737**	**100 %**	**$ 1,363,238**	**100 %**

For Tax Year 2022

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	34,616	81 %	$ 6,326	1 %
50,001 - 100,000	1,609	4	7,575	1
100,001 - 500,000	3,270	8	50,894	4
500,001 - 1,000,000	992	2	45,162	4
1,000,001 and higher	1,990	5	1,073,856	90
TOTAL	**42,477**	**100 %**	**$ 1,183,813**	**100 %**

For Tax Year 2021

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	33,992	84 %	$ 6,045	1 %
50,001 - 100,000	1,506	3	7,086	1
100,001 - 500,000	2,778	7	42,741	4
500,001 - 1,000,000	793	2	36,336	4
1,000,001 and higher	1,604	4	863,903	90
TOTAL	**40,673**	**100 %**	**$ 956,111**	**100 %**

For Tax Year 2020

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	33,430	86 %	$ 5,932	1 %
50,001 - 100,000	1,320	3	6,197	1
100,001 - 500,000	2,289	6	34,963	5
500,001 - 1,000,000	668	2	30,801	5
1,000,001 and higher	1,192	3	574,399	88
TOTAL	**38,899**	**100 %**	**$ 652,292**	**100 %**

For Tax Year 2019

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	33,448	86 %	$ 6,151	1 %
50,001 - 100,000	1,356	3	6,259	1
100,001 - 500,000	2,281	6	34,630	6
500,001 - 1,000,000	605	2	27,632	5
1,000,001 and higher	1,093	3	532,280	87
TOTAL	**38,783**	**100 %**	**$ 606,952**	**100 %**

For Tax Year 2018

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	8,057	61 %	$ 6,273	1 %
50,001 - 100,000	1,309	10	6,081	1
100,001 - 500,000	2,231	17	34,029	6
500,001 - 1,000,000	588	4	26,991	4
1,000,001 and higher	1,084	8	519,441	88
TOTAL	**13,269**	**100 %**	**$ 592,815**	**100 %**

For Tax Year 2017

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	7,877	63 %	$ 6,082	1 %
50,001 - 100,000	1,279	10	5,969	1
100,001 - 500,000	1,962	16	29,468	6
500,001 - 1,000,000	514	4	23,512	5
1,000,001 and higher	896	7	423,207	87
TOTAL	**12,528**	**100 %**	**$ 488,238**	**100 %**

For Tax Year 2016

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	8,055	63 %	$ 6,266	1 %
50,001 - 100,000	1,319	10	6,094	1
100,001 - 500,000	1,924	15	28,905	6
500,001 - 1,000,000	532	4	24,087	5
1,000,001 and higher	927	7	450,021	87
TOTAL	**12,757**	**100 %**	**$ 515,373**	**100 %**

For Tax Year 2015

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	7,986	64 %	$ 6,143	1 %
50,001 - 100,000	1,265	10	5,851	1
100,001 - 500,000	1,836	15	27,060	6
500,001 - 1,000,000	497	4	22,880	5
1,000,001 and higher	907	7	420,765	87
TOTAL	**12,491**	**100 %**	**$ 482,699**	**100 %**

For Tax Year 2014

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	7,734	65 %	$ 5,884	1 %
50,001 - 100,000	1,200	10	5,347	1
100,001 - 500,000	1,684	14	23,184	5
500,001 - 1,000,000	474	4	19,948	5
1,000,001 and higher	839	7	369,388	88
TOTAL	**11,931**	**100 %**	**$ 423,751**	**100 %**

Note: Due to legal confidentiality issues, the names of the ten largest individual income tax payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's income tax revenue.
Source: Alabama Department of Revenue
Year 2023 is the most recent data available.

DEBT CAPACITY
Ratios of Outstanding Debt

Last Ten Fiscal Years
(Amounts in Thousands, Except Per Capita Amount)

	2025	2024	2023	2022	2021
Primary Government					
Governmental Activities:					
General Obligation Bonds	$ 407,326	$ 460,059	$ 556,455	$ 499,079	$ 566,183
Revenue Bonds	4,761,868	4,848,194	5,135,436	5,521,280	5,177,939
Direct Borrowings*	40,606	46,579	52,442	58,010	171,658
Leases - RTU Liabilities	556,914	412,915	476,222	449,221	—
Subscription-based Liabilities	4,643	6,421	8,757	—	—
Total Governmental Activities	**5,771,357**	**5,774,168**	**6,229,312**	**6,527,590**	**5,915,780**
Business-type Activities:					
Revenue Bonds	—	281,378	293,375	308,019	323,786
Direct Borrowings*	217	371	511	640	826
Leases - RTU Liabilities	73,432	55,919	51,844	56,266	—
Subscription-based Liabilities	—	735	1,756	—	—
Total Business-Type Activities	**73,649**	**338,403**	**347,486**	**364,925**	**324,612**
Total Primary Government	**$ 5,845,006**	**$ 6,112,571**	**$ 6,576,798**	**$ 6,892.515**	**$ 6,240,392**
Debt as a percentage of Personal Income †	1.98 %	2.19 %	2.51 %	2.70 %	2.70 %
Amount of Debt per Capita †	$ 1,133	$ 1,194	$ 1,296	$ 1,365	$ 1,240

Notes: Details regarding the State's outstanding debt can be found in Note 5 of the financial statements.
Fiscal year 2024 personal income and population data are estimated.
All years presented are with revised population and personal income data.
† See the Schedule of Demographic and Economic Information on page 368 for personal income and population data.
*Per GASB 87, items previously classified as "Capital Leases" were reclassified as Leases - RTU Liabilities since ownership does not pass at the conclusion of the lease agreement.

2020	2019	2018	2017	2016
$ 645,508	$ 722,855	$ 609,633	$ 673,634	$ 722,383
3,958,647	4,096,310	4,429,103	4,753,950	3,667,728
169,010	177,556	188,709	192,297	191,200
—	—	—	—	—
—	—	—	—	—
4,773,165	**4,996,721**	**5,227,445**	**5,619,881**	**4,581,311**
337,677	354,230	367,169	327,401	344,610
940	1,009	1,117	1,217	4,518
—	—	—	—	—
—	—	—	—	—
338,617	**355,239**	**368,286**	**328,618**	**349,128**
$ 5,111,782	**$ 5,351,960**	**$ 5,595,731**	**$ 5,948,499**	**$ 4,930,439**
2.38 %	2.60 %	2.83 %	3.12 %	2.63 %
$ 1,022	$ 1,075	$ 1,130	$ 1,206	$ 1,004

DEBT CAPACITY
Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Amounts in Thousands, Except Per Capita Amount)

Fiscal Year	General Obligation Bonds Payable	Revenue Bonds	Total Debt Outstanding	Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of of Personal Income †	Per Capita †
2025	$407,326	$4,761,868	$ 5,169,194	$ 441,269	$ 4,727,925	1.60%	917
2024	460,059	4,848,194	5,308,253	434,806	4,873,447	1.76	954
2023	556,455	5,135,436	5,691,891	421,668	5,270,223	2.01	1,039
2022	499,079	5,521,280	6,020,359	407,286	5,613,073	2.20	1,111
2021	566,183	5,177,939	5,744,122	287,688	5,456,434	2.36	1,084
2020	645,508	3,958,647	4,604,155	256,614	4,347,541	2.02	869
2019	722,855	4,096,310	4,819,165	224,838	4,594,327	2.23	923
2018	609,633	4,429,103	5,038,736	209,181	4,829,555	2.44	975
2017	673,634	4,753,950	5,427,584	175,120	5,252,464	2.75	1,065
2016	722,383	3,667,728	4,390,111	156,430	4,233,681	2.26	863

Note: Details regarding the State's outstanding debt can be found in Note 5 of the financial statements.
† See the Schedule of Demographic and Economic Information on page 368 for personal income and population data.
Fiscal year 2024 personal income and population data are estimated.
All years are presented with revised population and personal income data.

The *Constitution of Alabama of 1901* prohibits the issuance of debt by the State. The State does issue revenue bonds which are limited obligations of public corporations governed by State officials. General Obligation bonds are issued only by voter ratified amendments to the *Constitution of Alabama of 1901*.

DEBT CAPACITY
Pledged Revenue Coverage - Primary Government Revenue Bonds

Last Ten Fiscal Year
(Amounts in Thousands)

	2025	2024	2023	2022	2021
State Port Authority*					
Revenue-Charges for facilities usage	$ 0	$ 196,634	$ 184,911	$ 164,284	$ 151,656
Debt Service					
Principal	—	35,400	17,350	15,550	13,060
Interest	—	11,741	12,210	13,215	13,957
Coverage [1]	—	4.17	6.26	5.71	5.61
Federal Aid Highway Finance Authority					
Revenue-Federal Revenue	$ 1,208,851	$ 1,174,261	$ 946,463	$ 1,011,644	$ 1,012,899
Debt Service					
Principal	87,000	86,405	86,020	89,115	52,225
Interest	21,905	26,849	27,236	24,162	61,618
Coverage [1]	11.10	10.37	8.36	8.93	8.90
Alabama Incentives Financing Authority					
Revenue-Tennessee Valley Electric Payment	$ 15,567	$ 15,902	$ 16,382	$ 12,521	$ 13,622
Debt Service					
Principal	8,590	8,800	8,340	7,895	7,490
Interest	7,044	7,530	7,990	8,423	8,834
Coverage [1]	1.00	0.97	1.00	0.77	0.83
Alabama Economic Settlement Authority					
Revenue-BP Settlement	$ 53,333	$ 53,333	$ 53,333	$ 53,333	$ 53,333
Debt Service					
Principal	37,480	36,315	35,185	34,090	33,025
Interest	16,441	17,590	18,703	19,781	20,826
Coverage [1]	0.99	0.99	0.99	0.99	0.99

Details regarding the State's outstanding bonds can be found in Note 5 of the financial statements.

[1] Coverage equals revenue divided by debt service.

*Note - As of fiscal year 2025, State Port Authority is no longer considered Primary Government but is now classified as a Nonmajor Component Unit.

2020	2019	2018	2017	2016
$ 139,822	$ 158,449	$ 134,936	$ 125,872	$ 119,691
12,425	11,825	9,115	10,295	9,755
14,505	14,255	13,994	15,904	16,732
5.19	6.08	5.84	4.80	4.52
$ 960,606	$ 1,037,932	$ 945,506	$ 831,961	$ 879,343
49,735	47,370	45,110	31,080	29,830
64,104	66,472	68,728	47,920	39,188
8.44	9.12	8.31	10.53	12.74
$ 14,847	$ 14,609	$ 14,866	$ 14,910	$ 16,152
7,555	6,575	6,290	6,015	5,770
8,875	11,366	11,653	11,925	12,170
0.90	0.81	0.83	0.83	0.90
$ 53,333	$ 53,333	$ 50	$ 0	$ 0
32,000	31,005	26.755	—	—
21,838	22,819	23,665	17.749	—
0.99	0.99	0.99	0.00	0.00

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DEBT CAPACITY
Pledged Revenue Coverage - Primary Government Revenue Bonds
(Continued from previous page)
Last Ten Fiscal Year
(Amounts in Thousands)

	2025	2024	2023	2022	2021
Public School and College Authority					
Revenue-General Sales Tax, Utility Tax, Use Tax	$ 3,427,002	$ 3,383,749	$ 3,450,639	$ 3,308,340	$ 3,005,829
Debt Service					
Principal	144,030	143,655	167,790	147,650	180,060
Interest	88,060	93,542	101,143	106,984	80,450
Coverage [1]	14.77	14.27	12.83	12.99	11.54
Mental Health Financing Authority					
Revenue-Cigarette Tax	$ 42,351	$ 43,001	$ 42,904	$ 41,459	$ 40,715
Debt Service					
Principal	—	—	2,095	2,040	1,990
Interest	—	—	44	88	130
Coverage [1]	0.00	0.00	20.06	19.48	19.21
Alabama Revolving Fund Authority					
Revenue-Mobile Telecommunications Tax	$ 22,474	$ 21,160	$ 21,129	$ 20,541	$ 20,663
Debt Service					
Principal	1,229	1,210	1,195	1,281	940
Interest	123	144	165	129	659
Coverage [1]	16.62	15.63	15.54	14.57	12.92
Alabama Twenty-first Century Authority					
Revenue-Tobacco Settlement	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000
Debt Service					
Principal	—	—	—	15,230	15,230
Interest	—	—	—	47	762
Coverage [1]	0.00	0.00	0.00	1.05	1.00
Alabama Highway Finance Corporation					
Revenue-0.07 Gasoline Tax, 0.13 diesel fuel tax, 0.06 diesel fuel tax, motor carrier tax, inspection fees, identification marker fees	$ 405,898	$ 401,086	$ 401,085	$ 400,744	$ 390,460
Debt Service					
Principal	3,600	3,430	6,970	6,705	19,875
Interest	4,262	4,433	4,782	5,049	5,489
Coverage [1]	51.63	51.01	34.13	34.09	15.39

Details regarding the State's outstanding bonds can be found in Note 5 of the financial statements.
[1] Coverage equals revenue divided by debt service.

2020	2019	2018	2017	2016
$ 2,782,879	$ 2,761,493	$ 2,656,156	$ 2,554,547	$ 2,524,359
134,840	204,555	190,995	192,160	180,905
63,195	72,056	81,021	89,823	97,566
14.05	9.98	9.76	9.06	9.07
$ 36,504	$ 33,723	$ 32,291	$ 31,377	$ 30,710
1,945	1,895	1,850	1,805	1,760
171	211	250	288	326
17.25	16.01	15.38	14.99	14.72
$ 26,741	$ 33,103	$ 28,545	$ 45,051	$ 50,447
1,120	1,070	1,030	990	960
708	760	808	849	886
14.63	18.09	15.53	24.50	27.33
$ 16,000	$ 16,000	$ 16,000	$ 13,000	$ 13,000
14,465	13,760	13,085	9,585	9,160
1,485	2,173	2,827	3,306	3,673
1.00	1.00	1.01	1.01	1.01
$ 369,017	381,026	$ 391,086	$ 365,276	$ 346,376
3,690	3,625	3,565	3,510	3,450
127	188	249	308	368
96.68	99.93	102.54	95.67	90.72

DEMOGRAPHIC AND ECONOMIC INFORMATION
Labor Force Statistics

Last Ten Years

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2015	2,172,619	2,040,087	132,532	6.1%
2016	2,196,496	2,069,474	127,022	5.8
2017	2,207,267	2,107,659	99,608	4.5
2018	2,236,161	2,148,823	87,338	3.9
2019	2,264,271	2,191,967	72,304	3.2
2020	2,258,249	2,113,768	144,481	6.4
2021	2,244,778	2,169,700	75,078	3.3
2022	2,269,555	2,212,356	57,199	2.5
2023	2,303,053	2,246,436	56,617	2.5
2024	2,346,989	2,274,568	72,421	3.1

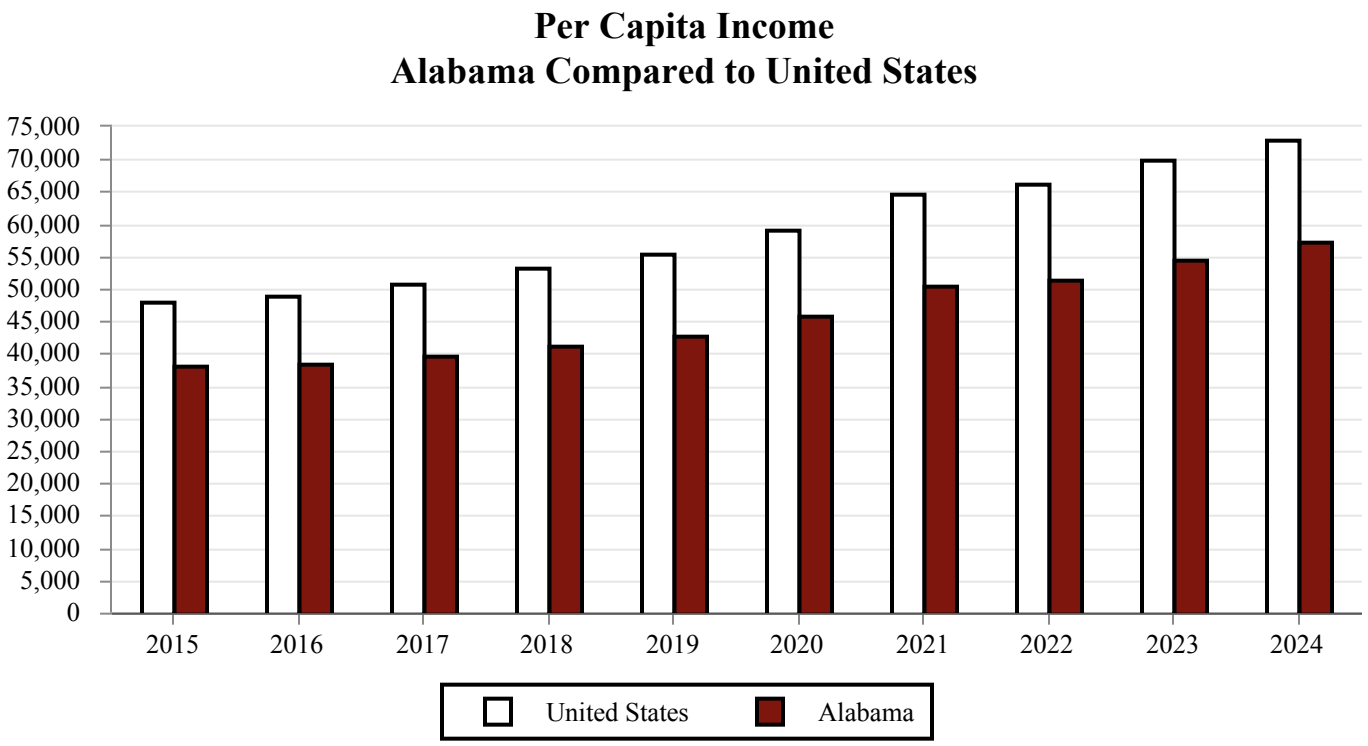
Civilian Labor Force Trend with Unemployment Rates

Note: Year 2024 is the most recent year for which data is available.
Averages for calendar year and not seasonally adjusted.
2015-2023 data reflects revised population controls and model reestimation with the Bureau of Labor Statistics.
Sources: Local Area Unemployment Statistics, Bureau of Labor Statistics, U. S. Department of Labor

DEMOGRAPHIC AND ECONOMIC INFORMATION
Population/Per Capita Personal Income Statistics

Last Ten Years

	Population		Per Capita Personal Income		Personal income (in Thousands)	
Year	**United States**	**Alabama**	**United States**	**Alabama**	**United States**	**Alabama**
2015	321,815,121	4,909,177	$48,062	$38,189	$15,467,113,000	$187,474,744
2016	324,353,340	4,931,579	48,974	38,704	15,844,741,000	190,871,820
2017	326,608,609	4,953,096	51,006	39,968	16,658,962,000	197,963,769
2018	328,529,577	4,977,088	53,311	41,324	17,514,402,000	205,674,190
2019	330,226,227	5,003,778	55,567	42,998	18,349,584,000	215,151,792
2020	331,577,720	5,033,094	59,151	45,872	19,613,059,000	230,878,360
2021	332,099,760	5,049,196	64,692	50,638	21,484,168,000	255,682,271
2022	334,017,321	5,076,181	66,298	51,697	22,144,814,000	262,425,794
2023	336,806,231	5,117,673	70,002	54,612	23,577,208,000	279,484,602
2024	340,110,988	5,157,699	73,204	57,311	24,897,613,000	295,590,485



Note: Year 2024 is the most recent year for which data are available.
Data is revised each year by the U.S. Department of Commerce.
Sources: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

DEMOGRAPHIC AND ECONOMIC INFORMATION
Top Ten Employers in Alabama

Last Ten Years

	2025			2024		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	40,000 - 49,999	1	2.14 %	40,000 - 49,999	1	2.15 %
Army	20,000 - 29,999	2	1.19	20,000 - 29,999	2	1.19
Publix Alabama LLC	10,000 - 19,999	3	0.71	10,000 - 19,999	3	0.72
Huntsville Hospital	10,000 - 19,999	4	0.71	10,000 - 19,999	4	0.72
UAB Hospital Management LLC	5,000 - 9,999	5	0.36	5,000 - 9,999	5	0.36
University of Alabama - Birmingham	5,000 - 9,999	6	0.36	5,000 - 9,999	6	0.36
U S Postal Service	5,000 - 9,999	7	0.36	5,000 - 9,999	7	0.36
Veteran Affairs Administration	5,000 - 9,999	8	0.36	5,000 - 9,999	8	0.36
Mobile Education Board	5,000 - 9,999	10	0.36	5,000 - 9,999	9	0.36
Dolgencorp LLC	5,000 - 9,999	9	0.36	5,000 - 9,999	10	0.36
Totals	**110,000 - 179,990**		**6.91 %**	**110,000 - 179,990**		**6.94 %**

	2023			2022		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	40,000 - 49,999	1	2.19 %	40,000 - 49,999	1	2.26 %
Army	20,000 - 29,999	2	1.22	20,000 - 29,999	2	1.25
Publix Alabama LLC	10,000 - 19,999	3	0.73	10,000 - 19,999	3	0.75
Amazon Com Services Inc	5,000 - 9,999	4	0.36	10,000 - 19,999	4	0.75
University of Alabama - Birmingham	5,000 - 9,999	5	0.36	5,000 - 9,999	5	0.38
U S Postal Service	5,000 - 9,999	7	0.36	5,000 - 9,999	6	0.38
Huntsville Hospital	5,000 - 9,999	6	0.36	5,000 - 9,999	7	0.38
UAB Hospital Management LLC	5,000 - 9,999	8	0.36	5,000 - 9,999	8	0.38
Mobile Education Board	5,000 - 9,999	10	0.36	5,000 - 9,999	9	0.38
Regions Bank	5,000 - 9,999	9	0.36	5,000 - 9,999	10	0.38
Totals	**105,000-169,990**		**6.66 %**	**110,000 - 179,990**		**7.29 %**

Note: All figures are based on March of each year. Percentage of Total State Employment is based on the midpoints in the ranges given. State of Alabama is excluded.
Source: Alabama Department of Labor - Labor Market Information Division

	2021			2020			2019		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	40,000 - 49,999	1	2.33 %	30,000 - 39,999	1	1.76 %	30,000 - 39,999	1	1.77 %
Army	20,000 - 29,999	2	1.29	20,000 - 29,999	2	1.26	20,000 - 29,999	2	1.26
Publix Alabama LLC	10,000 - 19,999	3	0.78	5,000 - 9,999	3	0.38	5,000 - 9,999	4	0.38
University of Alabama - Birmingham	—	—	—	5,000 - 9,999	4	0.38	5,000 - 9,999	3	0.38
U S Postal Service	5,000 - 9,999	4	0.39	5,000 - 9,999	5	0.38	5,000 - 9,999	5	0.38
Huntsville Hospital	5,000 - 9,999	6	0.39	5,000 - 9,999	6	0.38	5,000 - 9,999	6	0.38
Mobile Education Board	5,000 - 9,999	5	0.39	5,000 - 9,999	7	0.38	5,000 - 9,999	7	0.38
Regions Bank	5,000 - 9,999	7	0.39	5,000 - 9,999	8	0.38	5,000 - 9,999	8	0.38
UAB Hospital Management LLC	5,000 - 9,999	8	0.39	5,000 - 9,999	9	0.38	—	—	—
University of Alabama	5,000 - 9,999	9	0.39	5,000 - 9,999	10	0.38	5,000 - 9,999	9	0.38
Alabama Power Co Electric	5,000 - 9,999	10	0.39	—	—	—	5,000 - 9,999	10	0.38
Totals	**105,000-169,990**		**7.13 %**	**90,000-149,990**		**6.06 %**	**90,000-149,990**		**6.07 %**

	2018			2017			2016		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	30,000 - 39,999	1	1.80 %	30,000 - 39,999	1	1.82 %	30,000 - 39,999	1	1.84 %
Army	20,000 - 29,999	2	1.28	20,000 - 29,999	2	1.30	20,000 - 29,999	2	1.31
U S Postal Service	5,000 - 9,999	5	0.38	5,000 - 9,999	3	0.39	5,000 - 9,999	5	0.39
University of Alabama - Birmingham	5,000 - 9,999	3	0.38	5,000 - 9,999	4	0.39	5,000 - 9,999	3	0.39
Regions Bank	5,000 - 9,999	4	0.38	5,000 - 9,999	5	0.39	5,000 - 9,999	4	0.39
Mobile Education Board	5,000 - 9,999	6	0.38	5,000 - 9,999	6	0.39	5,000 - 9,999	6	0.39
Publix Alabama LLC	5,000 - 9,999	8	0.38	5,000 - 9,999	7	0.39	5,000 - 9,999	7	0.39
Huntsville Hospital	5,000 - 9,999	7	0.38	5,000 - 9,999	8	0.39	5,000 - 9,999	8	0.39
Alabama Power Co Electric	—	—	—	5,000 - 9,999	9	0.39	5,000 - 9,999	9	0.39
University of Alabama	5,000 - 9,999	10	0.38	5,000 - 9,999	10	0.39	5,000 - 9,999	10	0.39
Auburn University	5,000 - 9,999	9	0.38	—	—	—	—	—	—
Totals	**90,000-149,990**		**6.12 %**	**90,000-149,990**		**6.24 %**	**90,000-149,990**		**6.27 %**

OPERATING INFORMATION
State Government Employment by Function

Last Ten Years

	2025	2024	2023	2022	2021
Primary Government					
Governmental Activities:					
Economic Development and Regulation	759	763	710	694	702
Education and Cultural Resources	1,539	1,527	1,389	1,301	1,317
Natural Resources and Recreation	1,363	1,276	1,251	1,193	1,203
Health	5,265	5,175	4,971	4,766	4,907
Social Services	5,834	5,659	5,570	5,554	5,640
Protection of Person and Property	7,553	8,137	6,826	6,910	7,561
Transportation	4,287	4,280	4,233	4,189	4,301
General Government	4,610	4,822	4,413	4,320	4,385
Total Governmental Activities	**31,210**	**31,639**	**29,363**	**28,927**	**30,016**
Business-type Activities:					
Alcoholic Beverage Control Board	931	950	935	869	878
State Port Authority*	—	158	152	161	153
Total Business-Type Activities	**931**	**1,108**	**1,087**	**1,030**	**1,031**
Total Primary Government	**32,141**	**32,747**	**30,450**	**29,957**	**31,047**

Note: Includes State Merit System, House, Senate, and Administrative Office of the Courts.

*Effective fiscal year 2025, State Port Authority is no longer included in Primary Government and is now classified as a Nonmajor Component Unit.

Sources: Alabama Personnel Department
Alabama Commission on Higher Education
Alabama Administrative Office of the Courts
Alabama House of Representatives
Alabama Senate

2020	2019	2018	2017	2016
699	688	689	698	696
1,345	1,067	1,019	1,010	1,027
1,309	1,313	1,284	1,340	1,325
4,947	5,142	5,163	5,225	5,312
5,931	6,024	6,016	5,989	6,050
7,885	7,744	7,426	7,461	7,531
4,368	4,386	4,320	4,320	4,310
4,693	4,290	3,794	3,868	3,802
31,177	**30,654**	**29,711**	**29,911**	**30,053**
889	874	864	840	818
163	168	161	167	176
1,052	**1,042**	**1,025**	**1,007**	**994**
32,229	**31,696**	**30,736**	**30,918**	**31,047**

OPERATING INFORMATION
Indicators of Demand or Level of Service

Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Economic Development and Regulation					
Forestry Commission					
Number of fires	1,862	2,207	1,408	1,442	927
Average acres burned	18	17	14	23	16
Agriculture and Industries					
Pounds of meat processed under inspection	55,066,082	77,210,670	63,283,000	73,431,280	70,742,000
Educational and Cultural Resources					
Education Department					
Teachers	48,148	48,729	48,294	48,202	46,942
Number of local schools supported	1,378	1,372	1,372	1,363	1,349
Number of children served	729,242	749,177	727,685	725,900	716,084
Natural Resources and Recreation					
Conservation and Natural Resources					
Number of guests to outdoor recreational sites	2,322,085	3,331,859	4,117,646	4,166,566	3,569,116
Acres of land managed	934,059	541,690.54	497,996	495,310	484,056
Number of registered boats	230,422	252,648	282,119	269,593	271,439
Health - Physical and Mental					
Public Health					
Vital records issued	883,410	797,279	807,805	818,220	847,629
Medicaid					
Average number of monthly recipients	394,211	423,837	467,892	450,519	424,529
Average Number of claims processed monthly	1,774,983	1,891,207	2,033,100	1,936,174	1,801,594
Social Services					
Industrial Relations					
Employment Security claims	107,050	119,048	125,880	155,034	656,705
Human Resources					
Number of visits to licensed child care centers	2,801	3,755	4,273	4,134	3,940
Child support caseload	176,213	179,393	182,253	198,429	202,798
Households receiving food assistance	364,468	376,999	388,962	292,914	297,075
Number of child abuse/neglect assessments	24,870	25,228	25,790	27,786	26,980
Protection of Persons and Property					
Department of Corrections					
Number of inmates	21,026	20,494	20,361	19,986	17,837
Public Safety					
Arrest tickets issued	265,814	290,675	297,904	303,326	355,888
Accidents investigated	31,751	32,404	32,613	32,381	28,981
Pardons and Paroles					
Number of board decisions	2,562	2,905	3,583	4,002	4,232
Number of offenders supervised	45,318	47,660	45,369	44,234	44,234
Forensic Sciences					
Number of death cases investigated	2,145	5,847	6,060	6,039	6,365
Transportation					
Transportation Department					
Roadway miles	10,882	10,876	10,870	10,874	10,875
Bridges	5,429	5,427	5,410	5,408	5,407
General Government					
Administrative Office of Courts					
Caseload	1,646,364	1,677,129	1,694,274	1,711,685	1,737,471
Revenue Department					
Number of payments received	4,126,464	4,019,196	4,041,923	3,981,871	3,803,383

*FY21 and FY20 numbers were updated for Pardons and Paroles - Number of board decisions and Number of Offenders Supervised.

2020	2019	2018	2017	2016
998	1,565	967	3,371	1,637
13	13	12	14	12
79,197,000	82,661,000	94,404,561	84,200,561	85,033,628
46,767	46,766	46,715	45,991	46,349
1,339	1,336	1,342	1,338	1,467
724,178	722,212	726,924	730,175	730,563
3,126,537	2,972,109	3,601,331	3,725,131	3,777,838
482,773	475,089	468,479	461,659	447,886
264,849	264,855	262,529	264,910	265,133
726,652	707,836	692,900	672,086	643,434
405,314	434,581	436,343	435,349	434,201
1,772,215	1,941,211	1,913,874	1,774,599	1,766,065
837,421	131,278	141,635	150,606	156,175
2,755	3,794	4,816	4,464	4,953
210,423	214,719	218,318	219,994	221,810
349,654	344,188	360,067	375,919	399,728
27,244	29,091	28,075	27,891	27,077
18,409	20,953	20,090	21,213	23,328
259,677	223,300	263,729	248,675	297,568
31,168	32,358	31,950	31,914	32,109
2,704	7,951	8,963	8,556	7,362
48,036	63,081	68,793	66,667	54,695
2,335	2,211	4,370	2,889	2,717
10,875	10,887	10,888	10,889	10,873
5,414	5,409	5,406	5,395	5,431
1,507,617	1,645,982	1,604,366	1,646,259	1,628,320
3,458,064	3,454,039	3,359,377	3,283,117	3,222,830

OPERATING INFORMATION
Indicators of Volume, Usage, and Nature of Capital Assets

Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Economic Development and Regulation					
Forestry Commission					
Buildings	4	4	4	3	3
Buildings - RTU	1	1	1	1	—
Vehicles	272	321	351	348	328
Heavy Equipment	338	346	400	380	329
Natural Resources and Recreation					
Conservation and Natural Resources					
Buildings	111	111	88	88	88
Buildings - RTU	1	1	4	1	—
Vehicles	787	759	726	737	777
Heavy Equipment	212	225	226	222	204
Health					
Environmental Management					
Vehicles	188	188	181	186	187
Mental Health					
Buildings	20	20	20	20	20
Buildings - RTU	7	6	8	7	—
Vehicles	64	64	63	63	59
Social Services					
Human Resources					
Buildings	—	—	—	—	44
Buildings - RTU	52	52	52	51	—
Vehicles	5	5	5	5	5
Protection of Persons and Property					
Agriculture and Industries					
Buildings	5	5	5	5	5
Vehicles	167	174	156	160	151
Heavy Equipment	7	6	6	6	6
Corrections					
Buildings	164	164	164	164	159
Buildings - RTU	3	3	4	3	—
Vehicles	812	765	677	642	645
Heavy Equipment	21	17	17	16	16
Military					
Buildings	225	225	222	217	200
Vehicles	37	37	37	25	22
Heavy Equipment	36	36	37	37	35
Alabama Law Enforcement Agency					
Buildings - RTU	12	12	10	10	—
Vehicles	1,325	1,245	1,266	1,301	1,324
Heavy Equipment	7	7	5	5	4
Youth Services					
Buildings	33	33	33	31	31
Vehicles	68	62	57	58	51
Pardons and Paroles					
Buildings	1	2	2	2	1
Buildings - RTU	14	14	13	13	—
Vehicles	490	455	434	439	444

* Capitalization thresholds for capital assets were revised upward in 2015 resulting in a decrease in the number of items capitalized. It was not practical to restate years prior to 2015.

**Fiscal years 2024-2022 were updated in order to include the right-to-use assets.

2020	2019	2018	2017	2016
3	3	3	3	3
—	—	—	—	—
338	361	360	360	362
332	346	346	345	358
88	87	87	87	85
—	—	—	—	—
718	701	707	696	633
201	205	198	197	169
181	177	185	174	168
20	20	20	20	20
—	—	—	—	—
60	50	43	37	37
41	40	40	39	39
—	—	—	—	—
4	5	5	5	3
5	5	5	5	5
159	145	138	131	121
8	8	9	9	9
158	155	149	148	141
—	—	—	—	—
604	623	596	552	487
16	14	12	11	12
196	189	189	187	185
18	15	13	11	4
33	31	27	27	14
—	—	—	—	—
1,311	1,230	1,159	1,223	1,189
4	4	4	4	4
32	31	31	31	32
46	51	44	44	40
1	1	1	1	1
—	—	—	—	—
399	341	319	303	188

Continued on next page

OPERATING INFORMATION
Indicators of Volume, Usage, and Nature of Capital Assets
(Continued from previous page)
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Transportation					
Transportation					
Buildings	137	137	137	135	135
Buildings - RTU	11	11	10	10	—
Vehicles	2,310	2,314	2,060	2,209	2,159
Heavy Equipment	1,012	970	1,002	1,016	1,011
General Government					
Administrative Office of Courts					
Vehicles	17	18	15	15	5
Revenue Department					
Buildings - RTU	12	12	11	11	—
Vehicles	45	46	45	45	42

* Capitalization thresholds for capital assets were revised upward in 2015 resulting in a decrease in the number of items capitalized. It was not practical to restate years prior to 2015.

**Fiscal years 2024-2022 were updated in order to include the right-to-use assets.

2020	2019	2018	2017	2016
115	115	108	101	87
—	—	—	—	—
2,387	2,200	2,268	2,237	2,277
1,136	1,138	1,145	1,172	1,136
10	10	10	10	9
—	—	—	—	—
39	37	35	33	12