



**Security for
Alabama Funds
Enhancement (SAFE) Program
Office of the State Treasurer
Montgomery, Alabama**

October 1, 2024 through September 30, 2025

Filed: January 30, 2026

ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

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

Dear Madam:

An examination was conducted on the Security for Alabama Funds Enhancement (SAFE) Program, Office of the State Treasurer, Montgomery, Alabama, 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 of the examination.

Respectfully submitted,

Jessica Williamson
Examiner of Public Accounts

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Table of Contents

	<i>Page</i>
Examiner's Summary	A
Contains items pertaining to the purpose, scope and results of the state legal compliance examination.	
Agency Overview	C
Contains information pertaining to the organization and operation of the Security for Alabama Funds Enhancement (SAFE) Program.	
Other Information	1
Exhibit #1 Board Members and Official – a listing of the Board Members and Official.	2



Department of **Examiners of Public Accounts**

EXAMINER'S SUMMARY

**Security for Alabama Funds Enhancement (SAFE) Program
Office of the State Treasurer
October 1, 2024 through September 30, 2025**

PURPOSE AND SCOPE OF THE EXAMINATION

This report presents the results of an examination of the Security for Alabama Funds Enhancement Program (the "SAFE Program") and a review of the SAFE Program's compliance with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12. The examination was performed for the purpose of determining whether the public officers, and agents, of the SAFE Program properly and lawfully accounted for all money and other public assets or resources received, disbursed, or in the custody of the SAFE Program.

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

The mission and purpose of the SAFE Program is described in the accompanying Agency Overview. The SAFE Program's board members and officials are shown on Exhibit 1.

RESULTS OF THE EXAMINATION

The SAFE Program does not own any nonconsumable personal property.

No bank failures occurred during our examination period.

Tests performed during the examination did not disclose any significant instances of noncompliance with applicable laws and regulations.

EXIT CONFERENCE

Mr. Young Boozer, State Treasurer, was invited to an exit conference held by teleconference on December 10, 2025. Individuals in attendance were Young Boozer; State Treasurer; Roger Rendleman, SAFE Program Board Member; Chad Wright, Assistant State Treasurer; Pam Stevenson, SAFE Program Director; and Carraman Pernell, SAFE Program Assistant; along with Brad Grier and Jessica Williamson from the Department of Examiners of Public Accounts.



Department of **Examiners of Public Accounts**

AGENCY OVERVIEW

Security for Alabama Funds Enhancement (SAFE) Program Office of the State Treasurer October 1, 2024 through September 30, 2025

Act Number 2000-748, Acts of Alabama, effective January 1, 2001, created the SAFE Program. This act was codified as Title 41, Chapter 14A of the *Code of Alabama 1975*, as amended, and established a unified collateral pool and program for deposits of public funds in the state by public officials. The *Code of Alabama 1975*, Section 41-14A-4, provides for the SAFE Program to be administered by the State Treasurer and the facilities and resources of the State Treasurer's Office to be used and employed in the administration of the SAFE Program, including the record keeping and the management of funds and accounts. Personnel performing the record keeping and the management of funds and accounts of the SAFE Program are employees of the State Treasurer's Office.

The Security for Alabama Funds Enhancement Program (the "SAFE Program") is governed by the following laws and regulations related to its operations:

- ♦ The *Code of Alabama 1975*, Section 41-14A-6, establishes the Board of Directors of the SAFE Program. The Board is charged with the responsibility and authority to assess and manage the sufficiency of the collateral pool and the SAFE Program to provide adequate protection from losses to public depositors. The Board consists of eight members. The State Treasurer is a permanent, standing, voting member of the Board and serves as its chair. The Superintendent of Banks is a permanent, standing, non-voting member of the Board. The remaining six members are required to possess certain knowledge, skills, and experience.

Four of the six members are required to be representatives of an active qualified public depository, which is not in the process of withdrawing from the SAFE Program and that is in compliance with all applicable rules, regulations and reporting requirements of the SAFE Program. One of these four members is required to be selected and approved by the State Treasurer, and three of the four members are required to be selected and approved by the State Treasurer from nominations submitted to the State Treasurer by the Alabama Bankers Association. One member is required to be a representative of a municipality within the state and who will be selected and approved by the State Treasurer from one or more nominations submitted to the State Treasurer by the League of Municipalities of Alabama. One member is required to be a representative of a county within the state and who will be selected and approved by the State Treasurer from one or more nominations submitted to the State Treasurer by the Association of County Commissions of Alabama.

- ◆ The *Code of Alabama 1975*, Section 41-14A-3(a), establishes that on and after January 1, 2001, all public deposits of all covered public entities and covered public officials shall be governed by the policies and procedures set by the SAFE Program. This section also provides that all public depositors shall, notwithstanding any other laws to the contrary, place their public deposits with one or more qualified public depositories (QPDs), and that the financial institutions shall file the reports required by this section, or by rule, regulation, or order of the Board of Directors of the SAFE Program. Act Number 2009-471, Acts of Alabama, effective August 1, 2009, amended the *Code of Alabama 1975*, Section 41-14A-3, and provides an exception to requiring all public depositors to place their public deposits with one or more QPDs. This exception does not apply to funds or moneys of the state that are deposited or invested by the State Treasurer.

- ◆ The *Code of Alabama 1975*, Section 41-14A-10, provides that the SAFE Loss Payment Fund is used for the deposit of the proceeds from the sale of securities pledged as collateral or from any assessment pursuant to the *Code of Alabama 1975*, Section 41-14A-9. The amounts on deposit in this fund shall be disbursed as necessary in accordance with the provisions of the SAFE Program in order to pay losses to public depositors. Any amounts in this fund estimated not to be needed for immediate cash requirements shall be invested in any securities or other investments selected by the State Treasurer that are permitted under the *Code of Alabama 1975*, Section 41-14-30. All interest and other earnings from the investments of assets of the fund shall accrue to the fund.

- ◆ The SAFE Program Administration Fund was created by Act Number 2000-748, Acts of Alabama, to be used by the State Treasurer to pay the costs and expenses of establishing and implementing the SAFE Program, to pay the ordinary costs and expenses of administering the SAFE Program, and to pay the members of the SAFE Board of Directors the per diem and travel rates as permitted by the *Code of Alabama 1975*, Section 41-14A-6(g). The SAFE Program Administration Fund is no longer used and SAFE financial activity previously recorded in the fund is now recorded in the State Treasury Operations Fund described below.

- ◆ Act Number 2013-092, Acts of Alabama, effective October 1, 2013, created in the state treasury a special fund to be known as the State Treasury Operations Fund. The State Treasury Operations Fund is to be used exclusively for the operations of the Office of the State Treasurer. All costs and expenses of administering the Office of the State Treasurer shall be paid from the State Treasury Operations Fund, including the administration of the Unclaimed Property Program and the SAFE Program, and to pay the SAFE Board of Directors the per diem and travel rates. This fund may receive general fund appropriations, amounts from the Unclaimed Property Reserve Fund, and any other receipts. All unobligated amounts remaining in the State Treasury Operations Fund at the end of any fiscal year shall remain in this fund and be available for use for the operations of the Office of the State Treasurer.

- ◆ The SAFE Program Enforcement Fund created by Act Number 2000-748, Acts of Alabama, is used for the deposit of all administrative penalties collected under the provisions of the SAFE Program. The amounts in this fund shall be used to pay the costs and expenses of enforcing the requirements and provisions of the SAFE Program, including the costs of foreclosing on pledged collateral, of making and collecting assessments from QPDs, and of enforcing the obligations of QPDs under contingent liability agreements. Any amounts in this fund estimated not to be needed for immediate cash requirements shall be invested in any securities or other investments selected by the State Treasurer that are permitted under the *Code of Alabama 1975*, Section 41-14-30. All interest and other earnings from the investments of assets of the fund shall accrue to the fund.

As of September 30, 2025, there were 122 QPDs participating in the SAFE Program. These QPDs held a total of \$20.234 billion in average public deposits with applicable Federal Deposit Insurance Corporation (FDIC) coverage of \$1.043 billion resulting in net average public deposits of \$19.191 billion.

Additional information regarding the SAFE Program is located at the State Treasurer's website at www.treasury.alabama.gov.

Other Information

Board Members and Official
October 1, 2024 through September 30, 2025

Board Members		Term Expires
Hon. Young Boozer (1)	Chairman	2027
Hon. Mike Hill (2)	Ex-Officio	Indefinite
Hon. Rana Futral	Member	2029
Hon. Guy Davis	Member	2026
Hon. Mark Snead	Member	2027
Hon. Mitt Schroeder	Member	2028
Hon. Allison Edge	Member	2028
Hon. Roger Rendleman	Member	2029
Hon. Rod Morgan	Member	2025
Hon. Michael Morgan	Member	2025

Official

Hon. Young Boozer, State Treasurer	Office of State Treasurer State Capitol 600 Dexter Avenue, S-106 Montgomery, AL 36104 (334) 242-7500 www.treasury.alabama.gov	2027
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- (1) Ex-Officio
(2) Non-Voting Member