

ALABAMA PORT AUTHORITY

AN ENTERPRISE FUND OF THE STATE OF ALABAMA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEARS ENDED SEPTEMBER 30, 2025 & 2024





UPPER HARBOR

- ✓ Blakeley Island Terminal

MAIN DOCKS/GENERAL CARGO

- ✓ Alabama Port Authority HQ
- ✓ Alabama Steel Terminals
- ✓ AutoMobile International RO/RO Terminal
- ✓ CG Railway
- ✓ Main Docks

LOWER HARBOR

- ✓ Cold Storage
- ✓ Container Terminal
- ✓ Container Terminal Expansion
- ✓ Intermodal Container Transfer Facility (ICTF)
- ✓ Logistics Park
- ✓ McDuffie Coal Terminal
- ✓ Pinto Steel Terminal

RAIL CARRIERS

- BNSF
- CN
- CPKC
- CSX
- NS
- TASD

PORT INFRASTRUCTURE

- Barge Unloader
- Grain Elevator
- ▴ Mobile Harbor Crane
- RTG Crane
- ▴ STS Crane
- Ship Loader

Connect with our Commercial Team to Begin Your Cargo Planning
commercial@alports.com

ALABAMA PORT AUTHORITY

An Enterprise Fund of the State of Alabama

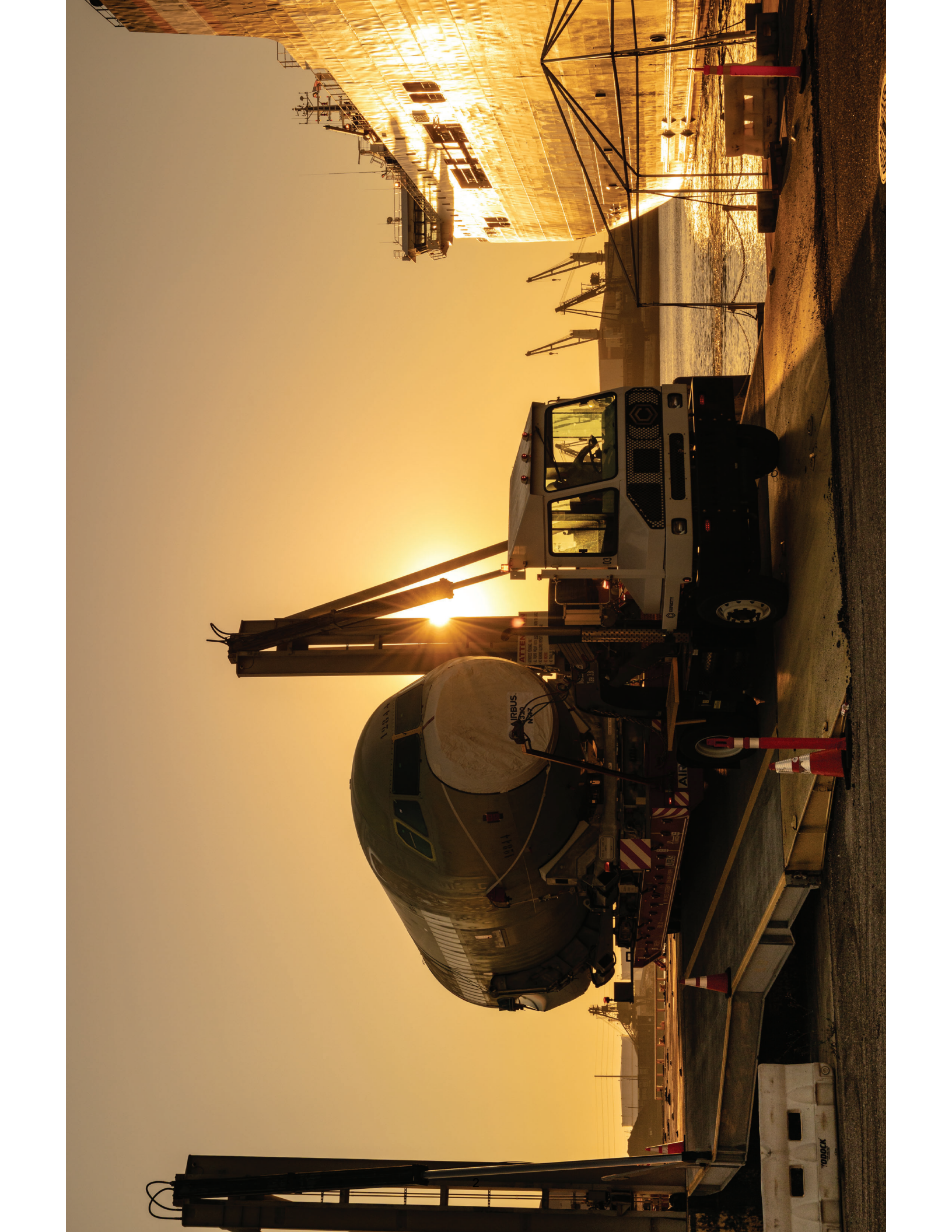
Mobile, AL

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 & 2024



PREPARED BY THE FINANCIAL SERVICES DEPARTMENT





ANNUAL COMPREHENSIVE FINANCIAL REPORT

TABLE OF CONTENTS

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 AND 2024

INTRODUCTORY SECTION

	<u>PAGE</u>
Directory of Officials	6
Director's and Chief Financial Officer's Letter of Transmittal	7
Certificate of Achievement for Excellence in Financial Reporting	17
Organization Chart	18

FINANCIAL SECTION

Report of Independent Auditors	21
Management's Discussion and Analysis (unaudited)	24
Financial Statements for the Years Ended September 30, 2025 and 2024	
Statements of Net Position	35
Statements of Revenues, Expenses, and Changes in Net Position	37
Statements of Cash Flows	38
Notes to Financial Statements	40
Supplementary Information – Required Supplementary Information (unaudited)	82

STATISTICAL SECTION (UNAUDITED)

Contents of Statistical Section	
Financial Trend Information	
Exhibit 1 – Statements of Net Position for the Last Ten Fiscal Years Ended September 30	97
Exhibit 2 – Statements of Revenues, Expenses, and Changes in Net Position for the Last Ten Fiscal Years Ended September 30	99
Exhibit 3 – Chart of Operating Revenues by Division for the Last Three Fiscal Years Ended September 30	101
Exhibit 4 – Chart of Operating Expenses by Division for the Last Three Fiscal Years Ended September 30	102
Revenue Capacity Information	
Exhibit 5 – Operating Revenue by Principal Source for the Last Ten Fiscal Years Ended September 30	103
Exhibit 6 – Principal Customers per Largest Revenue Sources for the Fiscal Years Ended September 30, 2025 and 2016	104
Exhibit 7 – Top Revenue Rates for the Last Ten Fiscal Years Ended September 30	105
Debt Capacity Information	
Exhibit 8 – Outstanding Revenue Bonds for the Last Ten Fiscal Years Ended September 30	106
Exhibit 9 – Annual Debt Service Requirements of Revenue Bonds for the Last Ten Fiscal Years Ended September 30	107
Exhibit 10 – Long-Term Revenue Bond Coverage for the Last Ten Fiscal Years Ended September 30	108
Exhibit 11 – Chart of Revenue Bond Coverage for the Last Ten Fiscal Years Ended September 30	109

STATISTICAL SECTION (UNAUDITED) (CONTINUED)

Demographic and Economic Information	
Exhibit 12 – Demographic and Economic Statistics for a Period of Ten Years for the State of Alabama and Mobile MSA	110
Exhibit 13 – Principal Employers in the Mobile Area for Years 2023 and 2014	111
Operating Information	
Exhibit 14 – Employees by Organization and Type for the Last Ten Fiscal Years Ended September 30	112
Exhibit 15 – Freight Traffic Statistics for the Last Ten Years Ended December 31	114
Exhibit 16 – Detail of Port Freight Traffic Statistics for the Last Ten Years Ended December 31	115
Exhibit 17 – Ratios of Capital Assets for the Last Ten Fiscal Years Ended September 30	117
Exhibit 18 – Capital Assets Statistics as of September 30, 2025	118
Miscellaneous Statistical Information	
Exhibit 19 – Alabama’s Total Value of Trade by Region for the Last Ten Years Ended December 31	119
Exhibit 20 – Chart of Alabama’s Total Value of Trade by Region for the Last Ten Years Ended December 31	121



INTRODUCTORY SECTION

**ALABAMA PORT AUTHORITY
AN ENTERPRISE FUND OF THE STATE OF ALABAMA
MOBILE, ALABAMA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

DIRECTORY OF OFFICIALS FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 & 2024

GOVERNOR OF ALABAMA

Kay Ivey

BOARD OF DIRECTORS

Zeke Smith
Member, At-Large
Chairman of the Board

Carl Jamison
First Vice Chairman of the Board
Central Region

Robert Hope
Second Vice Chairman of the Board
Southern Region

Tony R. Cochran
Northern Region

Dr. Patricia G. Sims
Northern Region

Gary Smith
Central Region

Sandy Stimpson
Southern Region

Brandon Bishop
Member, At Large

Connie Hudson, Ex-Officio*
Mobile County Commission President

PORT OFFICIALS

Doug C. Otto, Jr.
Director,
Chief Executive Officer

Alex King
Chief Operating Officer

Chris Ransom
Secretary-Treasurer,
Chief Financial Officer

Patrick Seals
Chief Information Officer

Jason Krick
Chief Engineering Officer

Maggie Oliver
Chief Development Officer

Catherine Reaves
Chief Policy Officer

** The Mayor of the City of Mobile and the President of the Mobile County Commission rotate as members of the board of directors for a one year tenure beginning every August 1st.*

Note: Board of Directors and Port Officials listed current as of March 27, 2026



March 26, 2026

To The Directors of The Alabama Port Authority Board, Citizens of Alabama, and other Users of this Report:

We are pleased to present the Annual Comprehensive Financial Report of the Alabama Port Authority (“the Authority”), formerly known as the Alabama State Port Authority, an enterprise agency of the State of Alabama established in accordance with the laws of the State of Alabama, for the years ended September 30, 2025, and 2024. The purpose of the report is to provide the Board of Directors, the Comptroller, and the Chief Examiner of the State of Alabama, the public, and other interested parties with reliable information concerning the financial condition and results of the operations of the Authority.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority and its management. The Financial Services Department of the Authority prepared this report according to the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position, changes in financial position, cash flows, and results of operations of the Authority in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Authority’s financial activities have been included.

Governmental accounting and auditing principles require that management provide a narrative to accompany the basic financial statements. This narrative, entitled Management’s Discussion and Analysis, follows the independent auditors’ report in the Financial Section of this report. Read this letter of transmittal in conjunction with Management’s Discussion and Analysis, as they are complementary documents.

Certain statistical and demographic information included in this report does not come from accounting records of the Authority, rather presented as reader information.

PROFILE OF THE AUTHORITY

General

The Authority, an enterprise agency 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. Prior to August 2000, the Alabama State Docks Department owned and managed these same facilities with an appointed Director, serving at the pleasure of the Governor as a member of their Cabinet. Effective August 1, 2000, the name of the Alabama State Docks Department changed to the Alabama State Port Authority, and the Authority became a separate agency of the State governed by a nine-member board of directors. Effective March 9, 2026, the Authority's name was legally changed to Alabama Port Authority.

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 retains its revenues, its net earnings are not paid into the State Treasury.

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 Authority conducts most of its activities in Mobile, the Authority's extensive facilities in and around Mobile being an integral part of the Port of Mobile hereinafter discussed. The Port of Mobile is strategically located in the northern Gulf of America with access to an international airport and two interstate systems, I-65 running north/south and I-10 running east/west. In addition to interstates, air, and rail, the Authority's container, general cargo, and bulk facilities have immediate access to nearly 15,000 miles of inland waterways. As of October 2025, the Port of Mobile offers the deepest container terminal in the Gulf at 50-foot depth.

The Authority also owns eight inland ports on the rivers of Alabama. In 2022, the Authority purchased 272 acres in Montgomery, Alabama to build and operate an inland port. The inland port will be served by CSX, providing new advantages and opportunities for shippers.

All the Authority's wharves are public facilities. The main complex lies in the upper channel, north of the Mobile River tunnels, and consists of the General Cargo facilities containing 33 berths and almost 5 million square feet of covered and open storage, the Grain Elevator, roll-on/roll-off terminals, rail switching yards, and various diversified operations.

The McDuffie Coal Terminal is a bulk handling facility located approximately two miles south of the Mobile River tunnels. The 550-acre facility includes three berths with two ship loaders and three-vessel discharge cranes, two barge unloaders, one barge loader, two rail car dumps, six stacker reclaimers, two double-wing stackers, and a rail load-out facility. The facility, surrounded by rail loop tracks, includes a series of connecting conveyors providing tremendous flexibility. The terminal has the advantage of water depths of up to 50 feet since the completion of the channel deepening.

The Authority owns and operates its own switching railroad, which services the Authority's facilities and other local industries near the port. The railroad owns and provides services on approximately 75 miles of railroad track.

The Authority also has operations further south in the Theodore industrial complex, which includes Middle Bay Port, with a 600-foot two-sided pier and the Marine Liquid Bulk Terminal. The Marine Liquid Bulk Terminal contains a 1,100-foot pier, equipped for efficient discharge of bulk liquid products, with nearby industrial land available for development. The Liquid Bulk Terminal enjoys water depths of up to 40 feet and is equipped with fire suppression equipment.

APM Terminals (APMT), an independent division within the A.P. Moller-Maersk Group operates and manages the container terminal located at the Port of Mobile, referred to as APMT Mobile. APMT Mobile) provides containerized cargo shippers with access to global networks covering a multitude of trade routes to and from the Port of Mobile. The Authority and APMT jointly invested an initial \$350 million to construct APMT Mobile, which opened in 2008. The terminal has a total of six cranes, two post-Panamax and four super post-Panamax ship-to-shore gantry cranes, for expeditious loading and unloading. During fiscal 2020, the Authority completed a nearly \$47 million expansion that elongated the berth to 2,424 feet to simultaneously accommodate two post-Panamax vessels, as well as increased the size of the operating yard to an annual throughput capacity of 650,000 Twenty-foot Equivalent Units (TEU). Since 2023, the Authority and APMT have entered into two additional agreements for further expansion through Phase IV and Phase V. See the Major Accomplishments and Initiatives section for more detail. With the completion of the deepening and widening of the Mobile Ship Channel, APMT Mobile now has up to 50-feet of water depth.

The Mobile Inland Container Transfer Facility (ICTF) opened in 2016 and is also operated by APMT. The Canadian National Railroad is currently providing service to Jackson, MS, Memphis, TN, Chicago, IL, and Canada from this near dock, container rail facility. In fiscal 2022, CSX initiated an intermodal service from Mobile to Chicago and the greater Midwest. From the ICTF in Mobile, containers can reach Chicago in three days. A critical project, funded through federal budget appropriations and grants, includes constructing a fly-over bridge between the container terminal and the ICTF, making the ICTF an on-dock facility, and enabling the development of an adjacent logistics facility. This facility provides access to five Class I and four short-line railroads.

The Pinto Island Terminal is the Authority's deep-water import steel slab terminal that began operations in February 2010. This facility is capable of handling in excess of five million tons of semi-finished steel slabs per year. The 12.5-acre terminal consists of 1,050 feet of deep-water dock dredged to a depth of up to 50 feet. The terminal also has a semi-automated barge loading system positioned between the ship berth and the shoreline. The terminal is equipped with three wide-span gantry cranes, each having an outreach of 150 feet, and back reach of 165 feet. The cranes can unload steel from ships to barges, or to the terminal storage yard consisting of 150,000 metric tons of storage capacity. The cranes and the terminal's heavy lift machines utilize electro-permanent magnetic lifting beams to move steel slabs weighing up to 32 metric tons each. The steel slabs arrive by vessel, destined for the Calvert steel facility upriver from the Authority in North Mobile County, Alabama. Beginning in fiscal 2019, the Pinto Island Terminal unloaded steel slabs from ships to a nearby free-trade zone, and in fiscal 2020, loaded its first vessel of steel slabs, demonstrating its ability to load steel slabs for export. In fiscal 2024, the Authority installed two gantry buckets for the Pinto Island cranes to allow for increased capacity for coal handling and diversify the terminal's capabilities, hedging against potential changes in the steel market and varying needs of its primary customer, ArcelorMittal.

Governance

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.

As an enterprise agency of the State, the Authority is not a component unit of any county or city within the State of Alabama since none of these exercise oversight responsibilities over the Authority. Such oversight responsibility means the existence of financial interdependency, the significant ability to

influence operations and accountability for fiscal years. This structure allows the Authority to take a much-needed long-term business outlook for investments, planning, and strategic direction setting.

LOCAL ECONOMY AND OUTLOOK

Mobile County, where the Authority conducts its primary operations, continued to experience significant economic activity in 2025 across aerospace manufacturing, shipbuilding, advanced metals production, logistics infrastructure, and industrial manufacturing. Major employers including **Airbus U.S. Manufacturing Facility, Austal USA, AM Calvert, Outokumpu Stainless, and APMT Mobile** continued to anchor the regional industrial economy. Several projects first announced in prior years advanced during 2025 through construction, operational ramp-up, or expansion milestones. These developments reinforce the region's position as a strategic Gulf Coast manufacturing and logistics hub and support continued growth in international trade through the Authority.

The following includes updates regarding these previously announced projects.

- **Airbus** inaugurated an additional A320 final assembly line at the Mobile Aeroplex in October 2025, significantly increasing aircraft production capacity in the United States. This is expected to create an additional 1,000 jobs.
- **Superior Air Parts** completed relocation of its operations to Creola and began manufacturing aircraft engine components in early 2025. This was a \$24.2 million investment that created 180 jobs.
- Facility upgrades and equipment installation continued during 2025 at the **MAAS Aviation** aircraft painting facility located at the Mobile Aeroplex, supporting increased Airbus aircraft production.
- Construction continued throughout 2025 on **Austal USA's** expanded shipbuilding facilities, including a new final assembly building supporting steel naval vessel construction and submarine module manufacturing.
- **Novelis** continued construction of the aluminum rolling and recycling facility at the South Alabama Mega Site, one of the largest manufacturing investments in Alabama history, at \$4.1 billion.
- Construction and equipment installation continued during 2025 at the expanded **Chart Industries** manufacturing facility producing cryogenic equipment used in industrial gas and energy markets. This is a \$73.7 million project that is expected to create 59 jobs.
- Construction continued on **Canfor Southern Pine's** modernized sawmill facility in Axis, the **Birdon American Shipyard** expansion in Bayou La Batre, the **Peak North America USA** manufacturing facility in Irvington, and renovations continued on the former Mobile Press Register building as **Gulf Distributing** prepares to relocate its headquarters and distribution operations.

Also 2025 had several new industrial announcements.

- **ArcelorMittal** announced plans in February 2025 to construct a new electrical steel manufacturing facility in Mobile County supplying materials used in electric vehicle motors. This is estimated to be a \$1.2 million investment.
- German manufacturer **Butting** announced in July 2025 plans to establish its North American headquarters and first U.S. production facility in Loxley, Baldwin County, a \$61 million project that could create up to 100 jobs.

- **SSAB** announced a \$74 million expansion in May 2025 at its Axis steel plate manufacturing facility to increase production capacity.
- **Kimberly-Clark** announced a major expansion in June 2025 at its Mobile manufacturing facility, increasing production capacity for consumer paper products. The expansion is expected to be \$130 million.
- **Dynasty Fab** announced plans in July 2025 to establish a fabrication facility at the Chickasaw Marine Terminal supporting maritime and industrial fabrication work.
- **Master Boat Builders** announced in August 2025 plans to expand shipbuilding operations in Coden, increasing capacity for commercial and specialty vessels.

Investments in port facilities, intermodal connections, and transportation infrastructure enhance cargo movement and improves supply chain access for manufacturers and global shippers. These initiatives position the Mobile region to remain competitive in attracting new investment while supporting the growth of existing industries. As regional manufacturing and logistics activity continues to expand, the Port of Mobile remains an essential gateway connecting Alabama producers to domestic and international markets, reinforcing the region's role as a major industrial and maritime hub along the Gulf Coast.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

Accounting Policies

The accounting policies of the Authority and this report conform to accounting principles generally accepted in the United States of America for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB), including the reporting model referred to as GASB Statement No. 34. Note 1 to the financial statements includes a summary of significant accounting policies.

Financial Statement Responsibility

The integrity and objectivity of the data in these financial statements and supplemental schedules, including estimates and judgments relating to matters not concluded by year-end, and the Annual Comprehensive Financial Report are the responsibility of the Chief Financial Officer. Therefore, the Chief Financial Officer maintains, at reasonable cost, a system of internal accounting controls, to give reasonable assurance that the Authority's assets remain protected and financial transactions documented properly.

The Financial Services Division, under the direction of the Comptroller, maintains the general accounting records of the Authority. The planning and conducting of the financial operations of the Authority are in a responsible and progressive manner. The Department of Examiners of Public Accounts of the State of Alabama periodically audits these records.

Independent Accountants

The independent accounting firm Warren Averett, LLC, performs independent audits of the Authority's annual financial statements. As necessary, Warren Averett, LLC audits the Authority's compliance with the requirements described in the Uniform Guidance (Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) that are applicable to each of the Authority's major federal programs. Warren Averett, LLC has issued an unmodified opinion on the Authority's financial statements as of September 30, 2025, and 2024, and for the years then ended, as stated in their report appearing herein.

Internal Accounting Control

In developing and evaluating the Authority's accounting system, and affecting the adequacy of internal accounting controls, are the Authority's Board, management, and other personnel, and are designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting; (b) effectiveness and efficiency of operations; and (c) compliance with applicable laws and regulations.

The Authority's internal control structure consists of five interrelated components, which are:

1. Control environment: Management philosophy, style, and values set the tone of the Authority as a well-controlled organization, influencing the control consciousness of our people. It is the foundation for all other components of internal control providing discipline and structure.
2. Risk assessment: The Authority identifies and analyzes relevant risks to achieve its objectives, forming a basis for determining how to manage the risk.
3. Control activities: These are comprised of the Authority's policies and procedures that help ensure execution of management directives. These activities include approvals/authorization, verification, reconciliations and segregation of duties.
4. Information and communication: This component is the identification, capture, and exchange of management information reports and analysis of external information.
5. Monitoring: This is the process of assessing the quality of internal control performance over time, and includes supervisor/managerial reviews, internal/external audits, and Board oversight.

Internal control, no matter how well designed and operated, can provide only reasonable assurance to management and the Board regarding achievement of the Authority's control objectives. Limitations inherent to internal control affect the likelihood of achievement of these control objectives. These include the realities that human judgement in decision-making can be faulty and that breakdowns in internal control can occur because of such human failures as simple error or mistake. Additionally, the collusion of two or more people, or management override of internal control, can circumvent controls. The cost of the Authority's internal control can be another limiting factor, as it should not exceed the expected benefits derived.

We believe the Authority's internal accounting controls, with independent internal audit functions performed by the State of Alabama Department of Examiners of Public Accounts, adequately safeguard the Authority's assets, and provide reasonable assurance of the proper recording of financial transactions.

Budgets

The Authority staff prepares an annual operating budget based upon projected revenues and expenses for the subsequent fiscal year. Based upon projected cash flows from the operating budget and other expected funding sources, the staff also prepares a capital budget. Management submits the budgets to the Board of Directors for approval.

Following the adoption of the budgets by the Board of Directors, management monitors the budgets on a monthly, quarterly, and annual basis. Budget variances are included in the monthly financial reports to the Board of Directors.

Management submits major new projects not included in the adopted budgets to the Board of Directors for approval. New minor projects do not require Board of Director approval provided the

overall capital plan remains within budget.

Capital Planning

The Authority has maintained an aggressive capital improvement program. Planning includes phased program expenditures, as necessary, to accommodate business growth and requirements. Private sector participation, grant funding, state participation, and federal appropriations comprise critical elements of the capital plan. The Authority currently has more than \$500 million in capital projects underway statewide.

Debt Management

All of the outstanding bonds of the Authority are special, limited obligations of the Authority, payable solely out of and secured by a pledge of and lien on (i) Docks Facilities Revenues and (ii) any income from the investment thereof. The outstanding bonds are senior lien bonds with a parity lien with each of the other series.

On August 26, 2020, the Authority issued the \$46,986,000 Docks Facilities Revenue Bond Series 2020 to refund part of Short-Term Docks Facilities Revenue Bond Series 2018 and used \$3,014,000 of investment funds remaining from Series 2018 proceeds to refund the remaining amount due on the Series 2018. The Authority issued the Short-Term Docks Facilities Revenue Bond Series 2018 to finance the expansion of the container handling capacity of the operations at the APM Terminals Mobile along with the dock extension and other land improvements thereon. The Docks Facilities Revenue Refunding Bonds Series 2017 (ACD) account for the additional bonds outstanding at the end of fiscal year 2022.

On December 4, 2024, the Authority issued a series of three bonds designated as the Docks Facilities Revenue Bond, Series 2024, totaling \$62,495,000. Proceeds will be used to purchase and install two new stacker reclaimers for McDuffie Coal Terminal. The obligations of the bond are to be issued on production and milestone dates agreed upon with the selected contractor. The first obligation, Bond No. 2024-1, of \$14,257,000 was issued on December 4, 2024, to begin Phase 1 of the project. The second obligation, Bond No. 2024-2, of \$40,678,000 was issued on November 25, 2025.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

APMT Mobile Phase IV – Construction for Phase IV of the container terminal began in late 2024 and will add 30.3 acres to the existing 134-acre facility. The expansion is expected to double the capacity of the container terminal from half a million to over one million TEUs a year. The Authority's investment in the expansion is expected to be \$105 million, which will be fully funded by 2022 federal appropriations. In addition, APMT is investing \$82 million in the ICTF-Mobile with rail expansion and new state-of-the-art equipment. This will increase capacity to over 450,000 TEUs a year by 2027. The first phase of Phase IV was delivered to APMT November 2025 and the second Phase is expected to be completed in 2028.

During October 2025, the Authority and APMT signed an agreement to proceed with Phase V dock extension which adds another 1,300-foot berth, a backland truck transit area, and electrical infrastructure upgrades to the existing facility. Once completed, this investment will expand berth capacity by 50%, enabling the terminal to handle three ultra-large container vessels simultaneously. This \$130 million project will be funded by federal appropriations to the Authority and enhanced by private investment from APMT. Construction is anticipated to begin May 2026, with completion targeted for 24 months after groundbreaking.

McDuffie Coal Terminal Improvements – There are several refurbishment and future enhancement projects underway to make our McDuffie Coal Terminal a highly efficient operation poised for

significant tonnage growth in the years to come.

In fiscal 2024 the Authority created a multi-year \$200 million capital investment program to replace critical terminal assets with new builds. Highlights of those include two new stacker/reclaimers, rail car dump enhancements, control flow transfer systems upgrades, various heavy mobile cranes and hauling vehicles, electronics and control system upgrades, new spare conveyor belts and a dust control system. Most of these projects are still underway.

In November 2024, as part of this spending and improvement plan, the Authority awarded a contract for \$63.1 million to design and build two new stacker reclaimers for more efficient coal handling at the terminal and replace two 52-year-old end of life pieces of equipment. Construction is underway and both stackers are expected to be operational by March 2027.

In fiscal 2024 the Authority engaged QCA Systems, a Canadian Bulk Handling Systems company to launch a multi-year, \$15 million modernization initiative. This initiative will replace outdated manual operating processes with more systemic, data-driven work plans and monitoring capabilities. The primary goal of these investments is to leverage technology and data analytics to drive machine performance, reliability, reduce unplanned outages, implement formal preventive maintenance plans, and position the terminal to effectively and efficiently process the existing and targeted 40% tonnage growth in the next few years.

In 2024, the Authority engaged outside professional services to configure and build out the existing Oracle Equipment and Asset Maintenance (EAM) module, with an expected go live date in fiscal 2026. Priorities of the engagement include identification of all asset components, spare parts, and inventory and the creation of standard operating procedures and planned maintenance processes. Once EAM is fully operational McDuffie Coal Terminal will be able to utilize planned maintenance strategies which should directly reduce costs, extend the longevity of assets, and improve overall efficiency and performance of all major assets at McDuffie Coal Terminal.

Additional projects around McDuffie Coal Terminal include upgrades to control flow shoots and conveyors to increase efficiency, demolition and construction of the assembly building, improvements to Berth 2, and decommissioning of the unused S-Crane to aid in positioning and loading of vessels.

Montgomery Inland Port – The project for the Montgomery Inland Port was announced in 2022 and construction officially broke ground in February 2025. This Inland Port, developed in partnership with CSX, will expand the Port of Mobile's reach into central Alabama, offering seamless rail and truck connections to global markets. The project is estimated to be \$100 million and is funded through a combination of sources: federal appropriations secured by former Senator Richard Shelby, contributions from the CSX railroad through the Growing Alabama Tax Credit Program, and Authority funds. The initial development includes 120 acres of operational yard, supporting an estimated annual throughput capacity of 60,000 lifts, with a vision for both future operational expansion and real estate development for logistic partners.

Also, during fiscal 2025, the Authority awarded Konecranes a contract to deliver two rubber-tired gantry cranes, which will serve as the backbone for container handling at Montgomery Inland Port.

Chickasaw Lead Line – This project will add approximately 10,000-feet of track paralleling the Authority's existing rail line north to Chickasaw, Alabama. This will improve the operational efficiency of the Authority's railroad by allowing for the assembly and passage of trains, all while providing uninterrupted rail service to numerous customers located in this area. The project design is complete and bid documents are being finalized, however construction advertisement will lag until utility relocation efforts are completed.. The estimated project cost is \$10.2 million and will be funded with approximately 74.5% of federal funds, with the remainder provided by the Authority.

Inter-terminal Bridge – In conjunction with Phase IV expansion of the container terminal, an inter-terminal connector bridge will be constructed connecting the marine terminal with the intermodal rail facility and the adjacent logistics park. Construction of the bridge began in January 2025 with an estimated completion date of January 2027. The current project cost is \$33 million with 77% of the funding provided by a fiscal 2022 federal appropriations, and the remainder of the project funded by the Authority.

Logistics Park – Construction to realign the entrance adjacent to the ICTF and improve and relocate existing City of Mobile storm drainage started July 2025. The project is estimated at \$12 million with 77% being funded by the fiscal 2022 federal appropriations awarded to the Authority. The project is scheduled to be completed May 2026.

Pier B South Redevelopment - This project is located in the Main Docks complex and includes the demolition of the existing pier and installation of the replacement pier structure with a similar footprint. The new modern dock structure will be built to handle 1,500 pounds per square foot and accommodate mobile harbor cranes and other advanced cargo-handling equipment. Construction began in October 2025 and is scheduled to be completed in August 2028. The Authority's investment is expected to be \$105 million, which will be mostly funded by federal appropriations.

Channel Improvement – The Mobile Ship Channel officially reached the authorized 50-foot depth on October 3, 2025, and positions the Port of Mobile as the deepest container port in the Gulf of America. Within hours of the certification, McDuffie Coal Terminal loaded their first vessel to utilize the deeper channel that sailed with a 48.4-foot draft. Although work had been completed with the deepening and widening of the channel, work continued on the turning basin near the container terminal. This was completed early calendar 2026. This marks the end of the \$366 million project that initially began in 2014 with USACEs' General Reevaluation Report, funded through Senator Richard Shelby's leadership.

Legislative Initiatives – The Authority maintains a very active presence in both the state and federal legislative arenas. A significant part of the legislative initiative is to identify and pursue funding that will benefit the Authority, the port community, and the State of Alabama. The Authority also continues to work with congressional and other partners on matters that could affect Port operations, infrastructure priorities, and long-term strategic objectives.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) issues its to those governmental entities that publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe our current report conforms to the Certificate of Achievement Program requirement; therefore, we are submitting it to the GFOA to determine its eligibility for certification.

ACKNOWLEDGEMENTS

The preparation of this report would be impossible without the tireless efforts of the members of the Financial Services Division staff. We would like to thank the officials and staff members from the other divisions of the Authority who also contributed to this effort.

Douglas C. Otto, Jr.



Director & CEO

Chris Ransom



Secretary-Treasurer,
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Alabama State Port Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

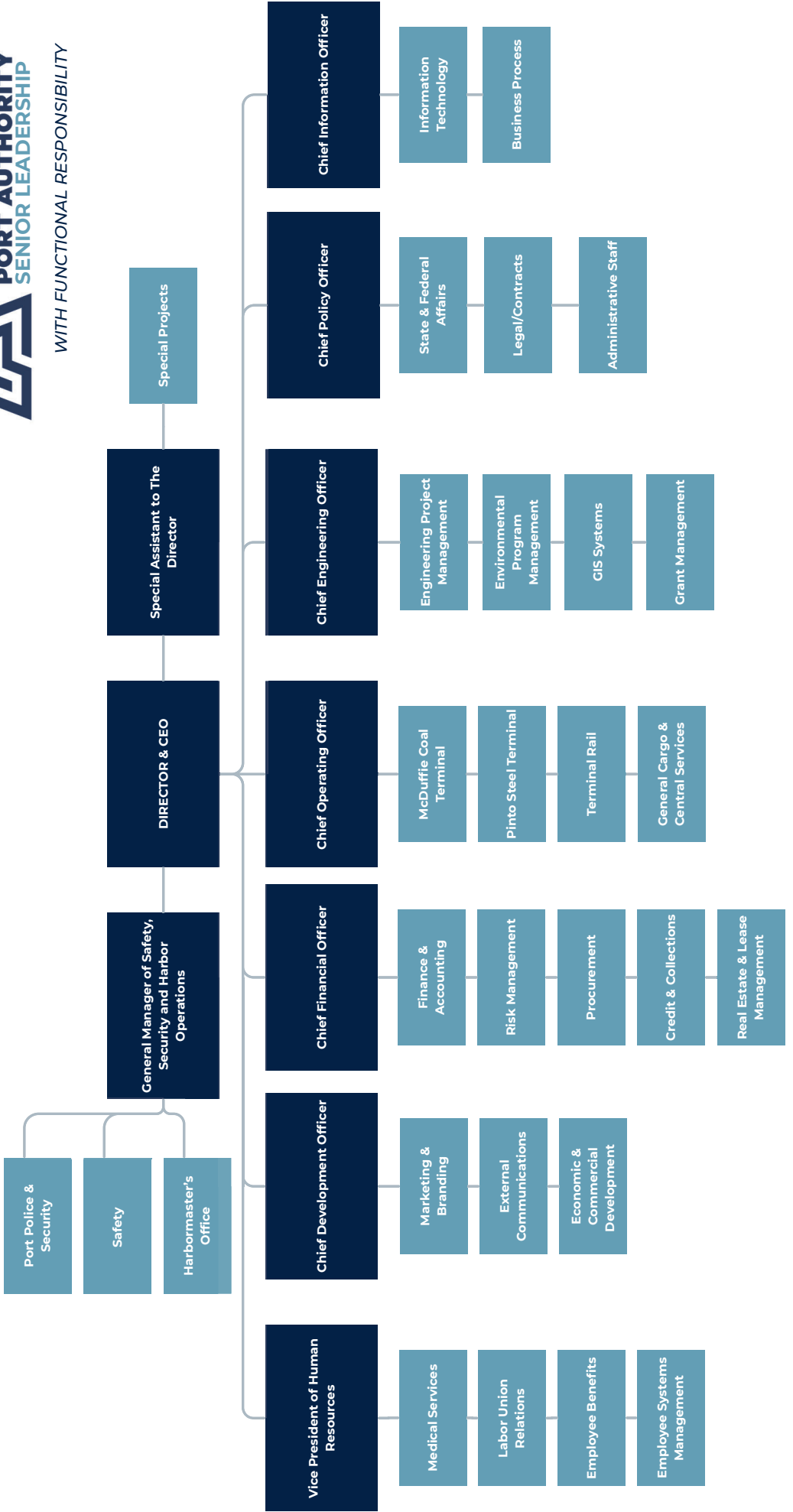
September 30, 2024

Christopher P. Morill

Executive Director/CEO



WITH FUNCTIONAL RESPONSIBILITY





FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Alabama State Port Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Alabama State Port Authority, an enterprise agency of the State of Alabama, as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Alabama State Port Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alabama State Port Authority (Authority) as of September 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Alabama State Port Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 from 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 Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Authority'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 Authority'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, pension, and OPEB information on pages 4-14 and 62-72 be presented to supplement the basic financial statements. Such information, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion nor provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

Warren Averett, LLC

Daphne, Alabama
January 29, 2026

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

The discussion and analysis of the financial performance of the Alabama State Port Authority (Authority) provides an overview of the entity's financial activities for the fiscal years ended September 30, 2025 and 2024. Please read this summary in conjunction with the Authority's financial statements and the accompanying notes that follow this section, which are essential in identifying the changes to the financial condition that occurred during the most recent fiscal year.

Operating Highlights

Fiscal 2025 was a pivotal year for the Authority—marked by major infrastructure accomplishments, solid financial results and ongoing expansion across Alabama's statewide logistic network. Despite global trade uncertainties, tariff fluctuations, labor negotiations and changing supply chain trends, the Authority achieved one of its most productive and forward-looking years on record.

From the near-completion of the transformative Mobile Harbor Deepening and Widening Project to record-setting throughput at McDuffie Coal Terminal, to the acceleration of development of the Montgomery Inland Port, and to the advancement of modernization projects across the general cargo and container complexes, fiscal 2025 showcased a Port not only keeping pace with national trends but also shaping them.

McDuffie Coal Terminal

Fiscal 2025 marked a record year for McDuffie Coal Terminal. The terminal experienced some of its highest monthly volumes ever, including a remarkable month that surpassed 1.45 million tons—driven by stronger barge flows, new mine production and a series of timely improvements to essential equipment. By spring, weekly rail service from a new Alabama mine had started arriving, boosting the terminal's long-term volume prospects.

The modernization of McDuffie Coal Terminal continued, with major components advancing on schedule—including the \$63.1 million contract for two new U.S.-built stacker-reclaimers and upgrades to barge unloaders that greatly increased productivity.

Pinto Island

Pinto Island performed above plan for much of fiscal 2025, despite external pressures like new steel tariffs and expected drops in customer volumes later in the year. Equipment upgrades—including hydraulic bucket systems—improved the terminal's versatility and offered new contingency options for coal handling when needed. Although the terminal faces a projected decline entering fiscal 2026, there is an indication from the customer that volumes will rebound; however, proactive operational planning positions the facility well to adapt if they do not.

Container Terminal

Container volumes softened throughout fiscal 2025, reflecting national trends driven by tariff dynamics, carrier repositioning and labor negotiations on the East and Gulf Coasts. Despite these challenges, Mobile stayed operationally strong, with some months experiencing double-digit growth and container moves remaining competitive.

The strategic focus remained on expanding capacity: construction of Phase IV and Phase IV-A continued on schedule, with the uplands area prepared for turnover in November 2025. This milestone not only increases new capacity but also initiates a more favorable lease structure with APM Terminals, positioning the Authority for long-term revenue growth.

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

General Cargo

While steel and forest products experienced the effects of tariffs and changing global market demand, fiscal 2025 was a record year for project cargo. Wind energy components, industrial machinery and specialized equipment increased project cargo volumes by as much as 90 percent above expectations, strengthening Mobile's status as a preferred Gulf gateway for large-scale industrial investment across the region.

Grain exports surged compared to the previous year—especially soybeans—thanks to strong vessel activity and better global market access.

The 50-Foot Channel Entered Its Final Stage

The most transformative achievement of fiscal 2025 was the near-completion of the federal Mobile Harbor Deepening and Widening Project. The U.S. Army Corps of Engineers (USACE) reported consistent progress throughout the year, culminating in the completion of the deepening phase on October 3, 2025.

With the widening of the lower harbor turning basin expected to be completed and ready for final acceptance in early calendar year 2026, the Authority spent the end of fiscal 2025 preparing for a major ribbon-cutting ceremony to celebrate one of the most important maritime infrastructure projects in Alabama's history.

Upon its commissioning on October 3, Mobile became the deepest container port in the Gulf, enabling fully loaded 14,000-TEU class vessels and dramatically improving competitiveness for Alabama exporters and shippers.

Significant Capital Investments Taking Shape

Fiscal 2025 advanced several generational capital projects essential to the Authority's long-term strategy:

- **Phase IV-A Container Terminal Expansion:** Turned over on November 25, 2025, doubling terminal capacity and setting the stage for future on-dock rail access through the inter-terminal connector bridge. The remainder of the project, Phase IV-B, will be completed in 2027.
- **Pier B South Reconstruction:** Bids were awarded for the complete modernization of the 1920s-era structure, including the River End option, delivering 1,500-psf live load capacity and shore-power readiness.
- **Upper Mobile Bay Marsh Creation:** A major environmental milestone was reached with the issuance of the USACEs' permit, enabling beneficial use of dredged material to build new marsh habitat.
- **ITC Resiliency Upgrades:** Installation of a full-building generator and successful disaster-recovery testing strengthened the Authority's readiness for major weather events.

Together, these projects reflect a multi-year vision focused not only on capacity, but on resilience, efficiency and environmental stewardship.

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

Governance, Policy and Organizational Momentum

Fiscal 2025 strengthened the Authority's governance foundation with key wins:

- The Authority secured a \$4 million line item in the fiscal 2026 state budget.
- Additional Growing Alabama Tax Credits were secured for Montgomery Inland Port construction.
- Fitch Ratings reaffirmed the Authority's BBB+ rating while improving the outlook to positive, the first upgrade since 2019.

With the 50-foot channel officially completed on October 3, 2025, Phase IV-A turned over to the container terminal operator on November 25, 2025, the Montgomery Inland Port accelerating toward construction milestones, and record-setting coal and project cargo volumes entering the new fiscal year, the Authority is exceptionally well-positioned for fiscal 2026 and beyond.

Financial Highlights

- The Authority's revenues increased to \$208,669,556 in fiscal 2025 as compared to \$196,634,198 in fiscal 2024 and \$184,911,783 in fiscal 2023.
- The Authority's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources (net position) at September 30, 2025, 2024 and 2023, by \$567,743,201, \$447,582,700 and \$411,458,296, respectively.
- The Authority's total net position increased \$120,160,501 in fiscal 2025 as compared to an increase of \$36,124,404 in fiscal 2024 and an increase of \$20,753,175 in fiscal 2023.
- Total bonded debt of the Authority increased to \$274,836,813 as of September 30, 2025, as compared to \$272,209,388 and \$283,375,798 as of September 30, 2024 and 2023, respectively.

Overview of the Financial Statements

Governmental entities adhere to accounting and financial reporting rules and regulations promulgated by the Governmental Accounting Standards Board (GASB). The Authority established a reporting model mandated by GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The Authority follows enterprise fund accounting and reporting requirements, including the accrual basis of accounting and applications of GASB pronouncements, thus the basic financial statements of the Authority include the following financial elements:

The **statements of net position** provide the reader with information about the assets of the Authority as well as outstanding liabilities. The difference between assets, deferred outflows, liabilities and deferred inflows is reported as net position. The presentation of net position provides additional details, which may assist the reader in understanding the unrestricted resources of the Authority as compared to those that are restricted. Changes over time in net position may indicate an improving or deteriorating financial condition.

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

The **statements of revenues, expenses and changes in net position** reflect the revenues and expenses, both operating and nonoperating, of the current and previous fiscal years. The net of revenues less expenses, when combined with other nonoperating items such as investment income, interest expense and capital grants and contributions, represents the net increase or decrease in the Authority's net position for the fiscal year. A review of these statements provides an indication of the financial health of the Authority.

The **statements of cash flows** present those items that affect the Authority's cash and cash equivalents during the fiscal year. A reconciliation of the Authority's operating income to the cash provided by operating activities, is also included.

The notes to the financial statements provide additional information that may not be readily apparent from the financial statements.

Analysis of Financial Statements

This discussion of the Authority's financial statements highlights major changes in the Authority's assets, deferred outflows, liabilities and deferred inflows for fiscal 2025 and fiscal 2024, as well as changes in revenues and expenses as reflected in the accompanying financial statements.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current and other assets	\$ 425,115,675	\$ 395,609,805	\$ 366,870,099
Capital assets, net	802,078,437	686,917,070	676,625,510
Total assets	<u>1,227,194,112</u>	<u>1,082,526,875</u>	<u>1,043,495,609</u>
Deferred outflows of resources	<u>33,371,534</u>	<u>23,539,106</u>	<u>27,471,759</u>
Liabilities			
Long-term bonds payable, net	270,366,881	269,749,117	282,208,998
Net pension liability	22,401,895	26,644,224	27,385,468
Net OPEB liability	33,953,081	16,484,640	15,665,083
Other liabilities	130,289,285	94,494,858	77,694,358
Total liabilities	<u>457,011,142</u>	<u>407,372,839</u>	<u>402,953,907</u>
Deferred inflows of resources	<u>235,811,303</u>	<u>251,110,442</u>	<u>256,555,165</u>
Net position			
Net investment in capital assets	495,379,978	405,612,216	385,581,202
Restricted:			
Debt service	25,525,007	19,855,450	24,771,703
Pension asset	3,847,377	2,086,813	-
Unrestricted	42,990,839	20,028,221	1,105,391
Total net position	<u>\$ 567,743,201</u>	<u>\$ 447,582,700</u>	<u>\$ 411,458,296</u>

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

The Authority's Net Position

Changes in net position over time is one measurement of the Authority's financial condition. The Authority's increase in net position for fiscal 2025 was \$120,160,501. This represents an increase of \$84,036,097 from fiscal 2024 activity. Increases in coal handling at McDuffie and in storage fees for wood pulp at General Cargo/Intermodal largely contributed to the 6% increase in revenues, despite lower intermodal activity at the Terminal Railway and decreased volumes at Pinto Island. There was a slight increase in operating expenses due to increases in personnel, outside services and software licenses & support which was offset with decreases in maintenance and dredging expenses. The Authority continued to receive funding, as it has since 2016, as a designated energy port under the Water Resources Reform and Development Act (WRRDA Act). These funds are used for maintenance dredging, dredge materials management and environmental remediation related to dredging berths and Federal navigation channels. In fiscal 2025, the Authority received \$5,940,000 from this funding source and recognized \$6,299,864 of revenue from previous years and current year funding, offsetting costs incurred associated with approved dredging activities.

The Authority's increase in net position for fiscal 2024 was \$36,124,404. This represents an increase of \$15,371,229 from fiscal 2023 activity. The Authority saw a 6% increase in operating revenues, largely due to increased rail activity related to coal switching. Operating expenses were flat to prior year as increases in personnel, maintenance, and outside services were offset by lower dredging expenses. During fiscal 2024, the Authority received \$27,887,832 funding as a designated energy port under the Water Resources Reform and Development Act (WRRDA Act). These funds are used for maintenance dredging, dredged materials management, and environmental remediation related to dredging berths and Federal navigation channels. In fiscal 2024, \$4,502,647 of WRRDA funds were recognized as revenue, offsetting costs incurred associated with approved dredging activities. As of fiscal year end 2024, \$26,492,350 in funding from the WRRDA Act remain that will be used for costs associated with raising dikes with the goal of providing 30-year capacity for dredge material for the Upper Harbor.

Of the Authority's \$567,743,201 in net position as of September 30, 2025, \$495,379,978 represents its investment in capital assets (including intangible assets), less any outstanding debt used to acquire or construct these assets. In addition, \$25,525,007 of the Authority's net position represents resources subject to external bond restrictions related to the use of these funds for debt service and \$3,847,377 of the Authority's net position represents the net pension asset that must be used for future pension obligations. The remaining \$42,990,839 consists of items not considered to be net investment in capital assets or restricted net position.

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

Statements of Revenues, Expenses and Changes in Net Position

The following table presents a condensed comparative summary of the Authority's revenues, expenses, and changes in net position for the fiscal years ended September 30, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 208,669,556	\$ 196,634,198	\$ 184,911,783
Operating expenses	168,362,287	166,700,247	166,442,309
Operating income	40,307,269	29,933,951	18,469,474
Net nonoperating expenses	(4,263,082)	(6,947,466)	(5,205,956)
Income before capital grants and contributions	36,044,187	22,986,485	13,263,518
Capital grants and contributions	84,116,314	13,137,919	7,489,657
Increase in net position	120,160,501	36,124,404	20,753,175
Net position, beginning of year	447,582,700	411,458,296	390,705,121
Net position, end of year	<u>\$ 567,743,201</u>	<u>\$ 447,582,700</u>	<u>\$ 411,458,296</u>

Fiscal 2025 operating revenues increased 6% as compared to 2024, from \$196.6 million to \$208.7 million, mainly from increased volumes at McDuffie Coal Terminal and increased storage at General Cargo/Intermodal. The \$8 million increase in other revenues is due to centralizing recognition of Energy Port funds to the Dredge Management business unit rather than allocating to the individual operating units, as well as utilizing \$1.7 million more of Energy Port funds during fiscal 2025. McDuffie Coal Terminal revenues increased by \$7.1 million (8%) over fiscal 2024 due to higher volumes, making fiscal 2025 a record-breaking year for most export tonnage in a year. General Cargo/Intermodal appears to have a decrease in revenues due to the change in allocation of Energy Port funds but experienced a \$1.3 million (3%) increase in revenues due to increased storage of wood pulp. Terminal Railway revenues decreased \$2 million (-6%) due to a decrease in switching and storage largely due to lower intermodal volumes. Real Estate had a \$0.3 million (-1.6%) decrease in revenue due to a decrease in throughput activity.

Fiscal 2024 operating revenues increased 6% as compared to 2023, from \$184.9 million to \$196.6 million, mainly from activity at Terminal Railway and increases at General Cargo/Intermodal and McDuffie Coal Terminal. Terminal Railway revenues increased by \$4.8 million (18%) over fiscal year 2023, mainly from additional switching related to McDuffie Terminal. General Cargo/Intermodal revenues increased by \$6.0 million (15%) due to increased volumes and the allocation of energy port funds. McDuffie Coal Terminal realized an increase of \$1.0 million (1%) on slightly higher volume. The Real Estate division decreased by (\$0.5) million (-2%) due largely to the allocation of Energy Port funds. The remaining change in revenue is split throughout the other operating entities and is based on slight increases in volumes, pricing, and utilization.

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

The Authority received \$84.1 million in capital grants and contributions to partially fund current projects in progress. Projects included were the Upper Mobile Bay Beneficial Use Wetland Creation Site Project, the Montgomery Inland Port project, the Chickasaw Rail expansion project, projects for Phase IV and Phase V expansion of the container terminal, the Inter-Connector Bridge, Logistics Park, security enhancements at the Authority, and repairs and rehabilitation of piers.

The next table lists operating revenues by business segment for each fiscal year ended September 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues			
McDuffie Coal Terminal	\$ 94,269,079	\$ 87,165,315	\$ 86,197,647
General Cargo/Intermodal	45,130,924	46,098,733	40,069,149
Terminal Railway	29,578,851	31,607,244	26,854,462
Real Estate	20,023,817	20,344,671	20,861,091
Marine Liquid Bulk Terminal	4,902,710	4,742,597	4,346,539
Other	14,764,175	6,675,638	6,582,895
Total operating revenues	<u>\$ 208,669,556</u>	<u>\$ 196,634,198</u>	<u>\$ 184,911,783</u>

Fiscal 2025 operating expenses increased as compared to fiscal 2024 from \$166.7 million to \$168.4 million. Expenses associated with operation and maintenance of facilities decreased by approximately \$3.5 million, with the majority (\$9.4 million) related to lower costs for dredging and material management sites, maintenance materials and services and environmental related professional services. These savings were partially offset by increases in personnel costs, operating related costs and outside services. The remainder of the difference in operation and maintenance of facilities was a mixture of changes to insurance costs, equipment rental, utilities and other miscellaneous expenses.

General and administrative expenses increased by \$5.2 million during fiscal 2025, driven by a \$4 million increase in personnel expenses due to additions to staff, annual increases for existing staff and the adoption of the Corporate Employment system. During fiscal 2025, the Authority approved the Corporate Employment system which allows the Authority to be competitive with current market rates for personnel salaries. When establishing this new employment classification, a salary survey was conducted by a third-party, and pay grades were adjusted based on results. Official roll-out of the new system began on October 1, and Merit System employees were allowed to voluntarily transfer with a possible increase in salary. There were also increases in software expenses, legal fees and advertising expenses.

Fiscal year 2024 operating expenses increased as compared to fiscal year 2023 from \$166.4 million to \$166.7 million. Expenses associated with the operation and maintenance of facilities decreased by approximately \$1.5 million, with the majority (\$8.8 million) related to lower costs for dredging and material management sites. These savings were partially offset by increases in personnel costs, maintenance materials and services, and environmental health and safety expenses. The remainder of the difference in operation and maintenance of facilities was a mixture of changes to insurance costs, equipment rental, utilities and other miscellaneous expenses.

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

General and administrative expenses increased by \$4.1 million during fiscal 2024, driven by \$3.3 million in outside resources mainly for information technology and internal and external affairs. There was an additional \$1.6 million in personnel expenses as the Authority continued to add staff where appropriate, as well as planned increases for existing staff. These increases were partially offset by slightly lower expenses mainly related to travel, advertising, and other miscellaneous expenses.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating expenses			
Operation and maintenance of facilities	\$ 100,083,805	\$ 103,614,944	\$ 105,107,785
Depreciation and amortization	38,057,197	38,102,597	40,412,873
General and administrative	30,221,285	24,982,706	20,921,651
Total operating expenses	<u>\$ 168,362,287</u>	<u>\$ 166,700,247</u>	<u>\$ 166,442,309</u>
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Nonoperating income (expenses)			
Interest income	\$ 4,068,129	\$ 4,041,233	\$ 1,728,399
Interest expense	(11,836,287)	(11,740,654)	(12,209,891)
Transfers from the State of Alabama	10,723,917	37,203,619	17,350,000
Noncapital port development expenses	(10,723,917)	(35,400,000)	(17,350,000)
Gain (loss) on disposal of capital assets	(120,449)	(506,222)	516,050
Insurance recoveries	2,890,778	-	4,407,570
Other, net	734,747	(545,442)	351,916
Net nonoperating expenses	<u>\$ (4,263,082)</u>	<u>\$ (6,947,466)</u>	<u>\$ (5,205,956)</u>
Capital grants and contributions	<u>\$ 84,116,314</u>	<u>\$ 13,137,919</u>	<u>\$ 7,489,657</u>

Net nonoperating expenses decreased to \$4.3 million in fiscal 2025 compared to \$6.9 million in fiscal 2024. Interest income and interest expense remained flat in fiscal 2025 compared to fiscal 2024. Noncapital port development expenses represent payments made on behalf of the Authority by the State to the USACE for the Non-Federal Share of the seaport modernization program. Transfers from the State of Alabama represents payments made on behalf of the Authority and direct payments for the Non-Federal Share of the construction costs of the Project, as well as related funding for the dredging of berths for McDuffie Coal Terminal and Mobile Container Terminal to match the channel depth. The funding is provided by the State out of proceeds of bonds issued by the State Highway Finance Corporation and secured by revenues from certain taxes levied by the State. Loss of disposal of assets includes a \$0.1 million loss associated with railroad track replacements. The Authority also received \$2.9 million of insurance reimbursements which includes \$2.8 million to close out the 2019 claim for a stacker reclaimer at McDuffie Coal Terminal.

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

Net nonoperating expenses decreased to \$6.9 million in fiscal 2024 compared to \$5.2 million in fiscal 2023. Interest income increased \$2.3 million in fiscal 2024 as compared to fiscal 2023 due to rising interest rates and higher cash balances, and interest expense continued a downward trend, decreasing by \$0.5 million in fiscal 2024 as compared to fiscal 2023. Noncapital port development expenses represent payments made on behalf of the Authority by the State to the USACE for the Non-Federal Share of the seaport modernization program. Transfers from the State of Alabama represents payments made on behalf of the Authority and direct payments for the Non-Federal Share of the construction costs of the Project, as well as related funding for the dredging of berths for McDuffie Coal Terminal and Mobile Container Terminal to match the channel depth. In fiscal 2024, \$1.8 million was paid directly to the Authority for reimbursement of project costs incurred for pipeline surveys and for acreage provided by the Authority that was needed for expansion of the seaport modernization program. The funding is provided by the State out of proceeds of bonds issued by the State Highway Finance Corporation and secured by revenues from certain taxes levied by the State.

Statements of Cash Flows

The following is a summary of the major sources and uses of cash and cash equivalents for the past three years. Cash equivalents are considered liquid investments generally with an original maturity of three months or less:

	<u>2025</u>	<u>2024*</u>	<u>2023*</u>
Cash flows provided by operating activities	\$ 90,751,919	\$ 69,401,378	\$ 31,034,398
Cash flows used in capital and related financing activities	(89,129,100)	(54,861,650)	(45,055,411)
Cash flows provided by investing activities	<u>4,068,129</u>	<u>4,041,233</u>	<u>1,728,399</u>
Net increase (decrease) in cash and cash equivalents	5,690,948	18,580,961	(12,292,614)
Cash, cash equivalents and restricted cash			
Beginning of year	<u>145,452,865</u>	<u>126,871,904</u>	<u>139,164,518</u>
End of year	<u>\$ 151,143,813</u>	<u>\$ 145,452,865</u>	<u>\$ 126,871,904</u>

*Certain items within fiscal year 2024 and 2023 cash flows from operating activities and financing activities have been reclassified.

During fiscal 2025, the Authority expended approximately \$132.5 million on capital projects and assets. A few of the capital projects completed during fiscal 2025 included development of a Geographic Information System (GIS) spatial map, projects for equipment upgrades at McDuffie Coal Terminal as part of their modernization initiative, repairs and renovations to several buildings and piers, rail track repairs at Terminal Railway and dike raising at Mud Lakes. Other assets purchased included computer equipment, vehicles, maintenance, machinery and shop equipment.

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

Progress made on projects during the year included upgrading and modernizing of equipment at McDuffie Coal Terminal, Phase IV and Phase V expansion of the container terminal, construction of the Montgomery Inland Port, construction of the inter-connector bridge, Logistics park construction, fabrication of two stacker-reclaimers for McDuffie Coal Terminal, upgrades and repairs to piers, wharves and bulkheads across the Port and several projects at Terminal Railway for repairs and expansion of tracks.

During fiscal 2024, the Authority expended approximately \$38.5 million on capital projects and assets. A few of the capital projects completed during fiscal 2024 included construction of a central warehouse at McDuffie Coal Terminal, projects for equipment upgrades at McDuffie Coal Terminal as part of their modernization initiative, repairs and renovations to several buildings and piers, rail track repairs at Terminal Railway, upgrades to Marine Liquid Bulk Terminal's dock fire suppression system, and purchase of 45 acres of waterfront property in Mobile for future expansion. Other assets purchased included computer equipment, vehicles, maintenance, machinery and shop equipment.

Progress made on projects during the year included upgrading and modernizing of equipment at McDuffie Coal Terminal, expansion of Phase IV of the container terminal, construction of the Montgomery Inland Port, upgrades and repairs to piers, wharves and bulkheads across the Port and several projects at Terminal Railway for repairs and expansion of tracks.

For detailed information on capital asset activity, see Note 3 to the financial statements.

Long-Term Debt Activities

During fiscal 2025, the Authority issued the \$14,257,000 Docks Facilities Revenue Bond Series 2024-1 (Series 2024), at a fixed rate of 4.30% per annum, with interest payable on the first day of each month, commencing January 1, 2025. Annual principal payments are due beginning December 1, 2025, through maturity on December 1, 2039. The Authority used proceeds from Series 2024 to provide funding for the construction and purchase of two stacker reclaimers.

During fiscal 2020, the Authority issued the \$46,986,000 Docks Facilities Revenue Bond Series 2020 (Series 2020), at a fixed rate of 1.91% per annum, with interest payable on the first day of each month, commencing October 1, 2020. Annual principal payments are due beginning October 1, 2021, through maturity on October 1, 2040. The Authority used proceeds from Series 2020 to refund part of the Short-Term Docks Facilities Revenue Bond Series 2018 (Series 2018) and used \$3,014,000 of investment funds remaining from Series 2018 proceeds to provide long-term funding to expand the container handling capacity of its operations at the Choctaw Point Container Terminal, including approximately 400' by 200' dock extension, and paving, drainage and lighting for an addition of approximately 20 acres to the container storage area.

During fiscal 2017, the Authority issued the Docks Facilities Revenue Refunding Bonds Series 2017 for the purpose of refunding the outstanding Docks Facilities Revenue Bonds Series 2006A, Series 2006B, Series 2006D and Series 2010. Additionally, the new bonds funded the cost of a surety bond in lieu of the required deposit to the debt service reserve fund, paid the premium for a policy of municipal bond insurance with respect to the insured Series 2017 Bonds and provided for the issuance costs for the Series 2017 Bonds.

**ALABAMA STATE PORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

With respect to the Docks Facilities Revenue Refunding Bonds Series 2017, approximately \$10.0 million and \$10.5 million of principal related to this series is scheduled to be due in fiscal 2026 and 2027, respectively. Principal payments of approximately \$2.1 million are scheduled to be due in fiscal 2025 and 2026 for Docks Facilities Revenue Bond Series 2020. Principal payment of approximately \$690,000 is scheduled to be due in fiscal year 2026 for Dock Facilities Revenue Bond Series 2024-1. Of these scheduled payments, the Authority expects to pay these amounts from cash generated by operations, with the debt service reserve funds and surety bonds providing additional security. While not pledged to secure payment of the bonds, the Authority has first call on certain severance tax revenues of the State related to coal, oil, and gas.

For further discussion of the Authority's long-term debt, see Note 7 to the financial statements.

Cautionary Note Regarding Forward-Looking Statements

Certain information provided by the Authority, including written or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than the statements of historical fact, which address future activities, events, or developments that the Authority expects or anticipates will or may occur, contain forward-looking information.

In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and is derived using various assumptions. The Authority does not update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions, or changes in other factors.

Requests for Information

This financial report is designed and intended to provide a general overview of the Authority's financial position and results of operations. Questions concerning any of the information provided in this report, or requests for additional financial information, may be addressed to the Chief Financial Officer, Alabama State Port Authority, P.O. Box 1588, Mobile, Alabama 36633.

**ALABAMA STATE PORT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 119,605,105	\$ 120,013,542
Cash and cash equivalents, restricted	31,538,708	25,439,323
Receivables		
Trade accounts, net	12,578,660	15,455,550
Leases - current portion	8,944,838	8,338,944
Accrued interest	808,473	792,584
Due from other governments	25,437,319	962,835
Inventories	7,865,600	4,867,757
Prepaid expenses and other assets	5,162,085	4,370,327
Total current assets	<u>211,940,788</u>	<u>180,240,862</u>
NONCURRENT ASSETS		
Lease receivable, net of current portion	204,488,556	210,051,425
Capital assets, net	802,078,437	686,917,070
Net pension asset, restricted	4,538,464	2,195,299
Other assets, net	4,147,867	3,122,219
Total noncurrent assets	<u>1,015,253,324</u>	<u>902,286,013</u>
TOTAL ASSETS	<u>1,227,194,112</u>	<u>1,082,526,875</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	3,483,611	5,149,350
Other postemployment benefits	20,677,390	8,566,303
Unamortized loss on debt refunding	9,210,533	9,823,453
Total deferred outflows of resources	<u>33,371,534</u>	<u>23,539,106</u>

See notes to the financial statements.

**ALABAMA STATE PORT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CURRENT LIABILITIES		
Accounts and contracts payable	\$ 49,973,104	\$ 16,003,205
Accrued liabilities:		
Salaries and wages	5,009,577	4,170,596
Compensated absences	3,651,938	3,316,681
Current maturities of bonds payable	12,808,931	11,629,575
Accrued interest payable	5,423,371	5,584,746
Current portion of lease and subscription liabilities	503,279	329,363
Other	2,049,591	2,130,868
Total current liabilities	<u>79,419,791</u>	<u>43,165,034</u>
NONCURRENT LIABILITIES		
Compensated absences	2,434,625	2,211,121
Unearned revenues	44,295,378	44,789,201
Environmental remediation liability	2,956,464	3,226,008
Unpaid claims	461,691	648,496
Lease and subscription liabilities, net of current portion	721,336	454,998
Net pension liability	22,401,895	26,644,224
Net other postemployment benefits liability	33,953,081	16,484,640
Bonds payable, net	270,366,881	269,749,117
Total noncurrent liabilities	<u>377,591,351</u>	<u>364,207,805</u>
TOTAL LIABILITIES	<u>457,011,142</u>	<u>407,372,839</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	3,702,633	407,086
Leases	226,785,249	239,140,404
Other postemployment benefits	5,323,421	11,562,952
Total deferred inflows of resources	<u>235,811,303</u>	<u>251,110,442</u>
NET POSITION		
Net investment in capital assets	495,379,978	405,612,216
Restricted for debt service	25,525,007	19,855,450
Restricted for pension asset	3,847,377	2,086,813
Unrestricted	42,990,839	20,028,221
Total net position	<u>\$ 567,743,201</u>	<u>\$ 447,582,700</u>

See notes to the financial statements.

ALABAMA STATE PORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
McDuffie Coal Terminal	\$ 94,269,079	\$ 87,165,315
General Cargo/Intermodal	45,130,924	46,098,733
Terminal Railway	29,578,851	31,607,244
Real Estate	20,023,817	20,344,671
Marine Liquid Bulk Terminal	4,902,710	4,742,597
Other	14,764,175	6,675,638
Total operating revenues	<u>208,669,556</u>	<u>196,634,198</u>
OPERATING EXPENSES		
Operation and maintenance of facilities	100,083,805	103,614,944
Depreciation and amortization	38,057,197	38,102,597
General and administrative	30,221,285	24,982,706
Total operating expenses	<u>168,362,287</u>	<u>166,700,247</u>
OPERATING INCOME	<u>40,307,269</u>	<u>29,933,951</u>
NONOPERATING INCOME (EXPENSES)		
Interest income	4,068,129	4,041,233
Interest expense	(11,836,287)	(11,740,654)
Transfers from the State of Alabama	10,723,917	37,203,619
Noncapital port development expense	(10,723,917)	(35,400,000)
Loss on disposal of capital assets	(120,449)	(506,222)
Insurance recoveries	2,890,778	-
Other income (expense), net	734,747	(545,442)
Total nonoperating expenses	<u>(4,263,082)</u>	<u>(6,947,466)</u>
Income before capital grants and contributions	36,044,187	22,986,485
Capital grants and contributions	84,116,314	13,137,919
Increase in net position	120,160,501	36,124,404
NET POSITION		
Beginning of year	<u>447,582,700</u>	<u>411,458,296</u>
End of year	<u>\$ 567,743,201</u>	<u>\$ 447,582,700</u>

See notes to the financial statements.

**ALABAMA STATE PORT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 213,464,214	\$ 209,948,668
Cash payments to suppliers for goods and services	(74,745,008)	(92,200,733)
Cash payments to employees for services	(47,967,287)	(48,346,557)
Net cash provided by operating activities	<u>90,751,919</u>	<u>69,401,378</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(132,516,907)	(38,539,016)
Proceeds from the sale of capital assets	15,771	422,565
Proceeds from bond issuance	14,257,000	-
Principal paid on bonds	(11,629,575)	(11,166,410)
Interest paid on bonds, leases and subscriptions	(12,092,884)	(12,053,455)
Principal paid on leases and subscriptions	(604,626)	(1,072,589)
Proceeds from capital grants and contributions	49,816,596	7,547,255
Other proceeds	734,747	-
Insurance proceeds	2,890,778	-
Net cash used in capital and related financing activities	<u>(89,129,100)</u>	<u>(54,861,650)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>4,068,129</u>	<u>4,041,233</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,690,948	18,580,961
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>145,452,865</u>	<u>126,871,904</u>
End of year	<u>\$ 151,143,813</u>	<u>\$ 145,452,865</u>
CASH AND CASH EQUIVALENTS	\$ 119,605,105	\$ 120,013,542
CASH AND CASH EQUIVALENTS, RESTRICTED	<u>31,538,708</u>	<u>25,439,323</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 151,143,813</u>	<u>\$ 145,452,865</u>

See notes to the financial statements.

**ALABAMA STATE PORT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 40,307,269	\$ 29,933,951
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	38,057,197	38,102,597
Bad debt recoveries	(48,268)	(195,523)
Other income	-	858,177
Changes in assets, liabilities, and related deferrals:		
Trade accounts receivable	2,925,158	(2,648,122)
Lease receivable	9,074,354	8,023,270
Accrued interest receivable	(15,889)	30,709
Inventories	(2,997,843)	(838,504)
Prepaid expenses and other assets	(791,758)	(360,419)
Other assets, net	(5,042,247)	(7,014,783)
Net pension asset and deferred outflows	954,760	140,902
Net pension liability and deferred inflows	(2,578,971)	581,283
Other postemployment benefits liability and deferred inflows and outflows	(882,177)	(6,222,567)
Deferred inflows - leases	(16,472,534)	(15,687,019)
Accounts and contracts payable	18,071,334	2,365,576
Accrued liabilities, unearned revenues, and other liabilities	<u>10,191,534</u>	<u>22,331,850</u>
Net cash provided by operating activities	<u>\$ 90,751,919</u>	<u>\$ 69,401,378</u>

Noncash Items

Construction in progress additions of \$24,213,857 and \$8,315,292 were included in accounts and contracts payable as of September 30, 2025 and 2024, respectively.

Subscription and lease liability additions of \$1,044,881 and \$767,962 were included in subscription and lease liabilities and assets as of September 30, 2025 and 2024, respectively.

See notes to the financial statements.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Alabama State Port Authority (Authority) is an enterprise agency of the State of Alabama (State) created to engage in promoting, developing, constructing, maintaining and operating harbors, seaports and riverports within the State.

The Authority operates a coal handling and storage facility, general cargo/intermodal facilities which include the Pinto Island Steel Terminal, a switching railway, and a liquid bulk terminal, primarily in Mobile, Alabama. The primary commodities handled and stored are wood, paper products, liquid chemicals, steel and other metals and coal. The Authority also owns land and facilities that it leases to others.

The Governor of the State appoints eight members of the Board of Directors of the Authority (Board), subject to confirmation by the Alabama Senate. The Governor designates one of the confirmed members of the Board as the Board's Chairperson. In addition, one ex-officio member serves as the ninth member of the Board. The ex-officio member annually rotates between the Mayor of the City of Mobile and the President of the Mobile County Commission. The Board appoints the Director of the Authority. The Director is the chief executive officer responsible for managing the affairs of the Authority. The Alabama State Legislature has the authority to create and enact laws and statutes that govern the affairs of the Authority.

The Authority is not a legally separate entity from the State and, for financial reporting purposes, is considered to be part of the State. Additionally, the Authority is largely independent of the control of the State Comptroller, State Auditor and State Treasurer, but lacks the corporate powers to make them legally separate and is, therefore, part of the primary government. The Authority is considered an agency of the primary government of the State and is presented as a business-type activity in the basic financial statements of the State. The financial statements of the Authority include all operations and activities of the Authority.

Basis of Accounting

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. For financial reporting purposes, the Authority is considered a special-purpose government engaged only in business-type activities as defined by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the financial statements of the Authority have been prepared in accordance with GAAP using the economic measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Net Position

The Authority presents net position in the following three categories according to external restrictions or availability of assets for satisfaction of Authority obligations:

- **Net investment in capital assets:** Capital assets and right-to-use lease assets, net of accumulated depreciation and amortization and reduced by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets, and retainage payable on construction contracts. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets, or the related debt are included in this component of net position.
- **Restricted:** The Authority classifies net position resulting from transactions with purpose restrictions as restricted net position until the specific resources are used for the required purpose or for as long as the provider requires the resources to remain intact.
- **Unrestricted:** Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position may be designated for specific purposes by action of management or the Board.

Fair Value Application and Measurement

Fair value is applied to assets and liabilities that the Authority holds primarily for the purpose of income or profit and that have a present service capacity based solely on their ability to generate cash or to be sold to generate cash. The Authority categorizes its fair value measurements within the value hierarchy established by GAAP. The hierarchy is based upon valuation inputs used to measure the fair value of the respective asset or liability. Level 1 inputs include quoted prices in active markets for identical assets; Level 2 inputs include observable inputs other than quoted prices included in Level 1 inputs; Level 3 inputs include unobservable inputs.

Cash and Cash Equivalents

The Authority considers all liquid debt instruments (including restricted assets), with a maturity of three months or less when purchased, to be cash equivalents.

Restricted Assets

Certain resources set aside for debt service and pension-related benefits are classified as restricted assets in the statement of net position. The amounts set aside for debt service are limited by applicable bond covenants and pension-related assets are restricted by pension plan documents and state laws.

Accounts Receivable

Accounts receivable arise in the ordinary course of business. The Authority recognizes an allowance for uncollectible accounts based on historical experience, coupled with a review of the current status of existing receivables. This allowance is deducted from the accounts receivable balance to properly reflect the net realizable value. The Authority writes off accounts receivable when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Bad debt recoveries were \$48,268 and \$195,523 for the years ended September 30, 2025 and 2024, respectively, and is included in operating revenues.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Inventories

Inventories consist of maintenance materials and operating supplies and are stated at the lower of cost or market, determined on an average cost method.

Revenues and Expenses

Operating activities, as reported on the statements of revenues, expenses and changes in net position, are defined as activities that generally result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nearly all of the Authority's revenues and expenses are from exchange transactions. Total operating revenues are reported net of discounts and allowances, including those related to uncollectible accounts. Grants for capital activities are not considered operating or nonoperating activities but are presented after nonoperating activities on the accompanying statements of revenues, expenses and changes in net position.

In fiscal 2025 and 2024, the Authority, designated as an Energy Port under the Water Resources Reform and Development Act of 2014, received funds totaling \$5,940,000 and \$27,887,832, respectively, from the USACE for use in dredging and other approved activities. Amounts earned during the year are included in operating revenues on the statements of revenues, expenses and changes in net position, and are not considered as federal expenditures for purposes of the Uniform Guidance. These resources are received from the Harbor Maintenance Tax Fund, which is funded through charges applied to the value of cargo being loaded or unloaded from a vessel, exclusive of export cargo, and is assessed on imported cargo, domestic cargo and the transport of passengers moving through U.S. ports. The owner of the cargo is responsible for paying the tax.

Leases

As lessor, the Authority records a lease receivable at the commencement of the lease, which is measured at the present value of the minimum lease payments expected to be received during the remaining lease term. Payments are discounted using the interest rate implicit in the lease or, when the lease does not have an implicit rate, using the Authority's Incremental Borrowing Rate (IBR), which is estimated based on current borrowing rates for entities with bond ratings comparable to the Authority's bond rating. Minimum payments used for measuring the lease include fixed payments and variable payments that are fixed in substance, such as volume-based payments when the lease contains minimum volume commitments. Variable payments that depend on an index or a rate (such as the Consumer Price Index) are initially measured using the index or rate as of the commencement of the lease term. Variable payments based on future performance of the lessee or usage of the underlying asset (such as payments based on throughput in excess of minimum volume commitments or in the absence of minimum volume commitments) are recognized as inflows in the period to which those payments relate. Renewal options are included in measurement of the lease when it is reasonably certain that the options will be exercised. The Authority also records deferred inflows of resources at the commencement of the lease, which is recognized as lease revenue on a straight-line basis over the lease term.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

As lessee, the Authority records a lease liability and a right-to-use lease asset at the commencement of the lease term. The lease liability is measured at the present value of the lease payments expected to be made during the lease term. The right-to-use lease asset is an intangible asset that represents the Authority's right to use the leased property during the lease term and is recorded at the initial measurement of the lease liability, adjusted for any lease payments made to the lessor and any lease incentives received from the lessor, at or before commencement of the lease, and initial direct costs that are ancillary charges necessary to place the leased asset into service.

Capital Assets

Capital assets, constructed or acquired by purchase, and general infrastructure assets are stated at historical cost. The cost of additions includes direct labor and materials and allocable general and administrative expenses. Certain assets have been financed under lease contracts, and the amortization of such assets is charged to operations. Donated capital assets are stated at their acquisition value on the date donated. The Authority's capitalization threshold is a minimum of \$10,000 and one-year life.

Ordinary maintenance, repairs and minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as capital additions. Upon retirement of capital assets, the cost and related accumulated depreciation are eliminated from the accounts, and any gain or loss is included in nonoperating income (expenses) in the accompanying statements of revenues, expenses and changes in net position.

Depreciation is computed using the straight-line method over the estimated useful lives of assets, ranging from 5-40 years for wharves, piers and containerized yards; 25-40 years for railroad tracks and crossings; 5-40 years for buildings and structures and improvements other than buildings; 4-40 years for machinery and equipment; and 5-20 years for furniture and fixtures. Depreciation expense related to equipment originally acquired under capital leases is computed on a straight-line basis over the shorter of the useful life of the equipment or the lease term.

Costs incurred to acquire the perpetual right to use certain railroad tracks not owned by the Authority are amortized on a straight-line basis over a 40-year period.

Impairment of Long-Lived Assets

The recoverability of assets is reviewed when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the future cash flows of the related asset. If the cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying value. No such losses were incurred for the years ended September 30, 2025 and 2024.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Costs of Engineering Services and Dredging

Costs of engineering services incurred for the purpose of determining the feasibility of contemplated projects are recorded within construction work in progress. If a project is constructed, the costs are capitalized as part of the cost of the facility. If the plans for a project are abandoned, such costs are expensed in the period of abandonment. Costs associated with periodic dredging of waterways are recorded as expenses, transferred to unamortized dredging cost upon project completion, and amortized on a straight-line basis over periods of six months to ten years based on historical siltation rates. Such costs are included in other assets, net on the accompanying statements of net position. Dredging costs that are deemed annual maintenance costs with a future benefit period of less than one year are expensed in the period incurred.

Deferred Outflows of Resources

Deferred outflows of resources include unamortized loss on debt refunding, which is amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt; and deferred outflows related to pension and other postemployment benefits (OPEB), which are amortized as a component of pension and OPEB expense in future years. Deferred outflows related to pension and OPEB represent:

- Differences between expected and actual experience
- Changes in the proportionate share of the multiple-employer plans
- Net differences between projected and actual earnings on pension and OPEB investments
- Changes in assumptions
- Amounts resulting from timing differences of contributions made subsequent to the measurement dates, but as of the date of the basic financial statements.

Deferred Inflows of Resources

Deferred inflows related to pension and OPEB represent differences between expected and actual experience, changes in the proportionate share of the multiple-employer plans, differences between projected and actual earnings on pension and OPEB investments, and changes in assumptions. Deferred inflows related to leases represent amounts that will be recognized as lease revenue on a straight-line basis over the remaining term of the lease.

Discounts/Premiums on Bonds Payable

Discounts/premiums on bonds payable are amortized as a component of interest expense over the term of the related debt obligations using the straight-line method, which is not materially different than amortization that would be recognized using the effective interest method.

Compensated Absences

The Authority records a compensated absences liability for leave that 1) can be carried forward to future reporting periods; 2) was earned based on service that the employee has already provided; and 3) is more likely than not to be used, paid or otherwise settled with the Authority. The vacation and sick leave liability is measured using the pay rates in effect as of the financial statement date, including directly and incrementally associated salary-related employer taxes and benefits. Changes to pay rates will be recognized in future periods as those changes occur. The Authority uses a first-in, first-out (FIFO) flow assumption for calculating the portion of the liability due within one year.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Accrued sick leave	\$ 850,769	\$ 370,595	\$ 1,221,364	\$ 732,819
Accrued vacation leave	4,677,033	188,166	4,865,199	2,919,119
	<u>\$ 5,527,802</u>	<u>\$ 558,761</u>	<u>\$ 6,086,563</u>	<u>\$ 3,651,938</u>

Unearned Revenues

Unearned revenues represent payments received in advance for services or non-exchange contributions, with revenues recognized as earned over the term of the related agreement.

Risk Management

The Authority is exposed to various risks of loss relating to tort litigation; theft of, damage to, and destruction of property; errors and omissions; and natural disasters. The Authority carries either commercial insurance, or coverage provided through The State Insurance Fund of Alabama (a self-insurance fund coupled with excess commercial coverage). The State Insurance Fund of Alabama has a coverage deductible of \$5,000. The commercial inland marine coverage for equipment has a deductible ranging from \$750,000 to \$1,750,000 for any one occurrence and depends upon the classification of the asset and the type of risk coverage applicable.

The Authority is also exposed to the risk of loss resulting from general, professional, fiduciary, law enforcement and cyber liability for which it carries commercial insurance having deductibles ranging from \$50,000 to \$250,000. The Authority is self-insured to the extent of the amounts deductible from loss coverage amounts. The Authority also provides for losses in excess of its primary coverages for general liability, general employer liability, maritime employer liability and auto liability by carrying excess/umbrella liability insurance coverage up to \$100 million.

The 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 the \$25 million policy limit. An accrual for uninsured claims due within one year is included in other accrued liabilities, and the long-term portion is shown as unpaid claims in the accompanying statements of net position. Claims that have been incurred but have not been reported, as well as a case development factor for known claims, have been accrued as unpaid claims. During fiscal 2025, fiscal 2024 and fiscal 2023, the Authority had no settlements that exceeded insurance coverage limits.

The Authority enters into contractual obligations in the ordinary course of business, including management agreements, purchase agreements and leases for premises and equipment. Management does not anticipate that the ultimate liability arising, if any, related to these obligations will have a material adverse effect on the Authority's financial statements.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Concentration of Credit Risk

The Authority provides services and facilities usage for companies located throughout the world. The Authority periodically performs credit evaluations of its customers and generally operates under international laws, which may provide for a maritime lien on vessels in the event of default on credit terms, along with domestic laws which allow warehousemen's liens on cargo in these situations. The Authority maintains reserves for potential credit losses.

Revenues from the Authority's top ten customers for the years ended September 30, 2025 and 2024, were approximately 66% and 65% of total operating revenues, respectively.

Use of Estimates

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and the disclosure of contingencies at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates susceptible to significant changes include those used in determining the reserves for workers' compensation claims and litigation claims, pension and OPEB obligations, and the liability for environmental remediation. Although some variability is inherent in these estimates, management believes that the amounts provided are adequate and reasonable.

Reclassifications

Certain amounts presented in the prior year have been reclassified in order to conform to the current year presentation.

Subsequent Events

Subsequent events were evaluated through January 29, 2026, which is the date the financial statements were available to be issued.

Change in Accounting Principle

Effective October 1, 2024, the Authority adopted the provisions of GASB Statement No. 101, *Compensated Absences* (GASB 101). This pronouncement establishes a unified model for recognition and measurement of liabilities associated with compensated absences, including vacation, sick leave and other paid time off. GASB 101 is expected to result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and can be applied consistently to different types of leave offered by governmental employers.

As part of the implementation process, the Authority has evaluated whether leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means by assessing relevant factors such as the Authority's employment policies related to compensated absences; historical information about the use, payment or forfeiture of compensated absences; and known information that would indicate that historical information may not be representative of future trends or patterns. GASB 101 was retroactively implemented and had no effect on net position previously presented.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

2. CASH AND CASH EQUIVALENTS

The Authority maintains sweep accounts with financial institutions in which the account balances are held in short-term investments/repurchase agreements on a nightly basis and returned to the accounts the following business day. Repurchase agreements of approximately \$4,479,000 and \$4,305,000 are included in cash and cash equivalents as of September 30, 2025 and 2024, respectively.

The Board approves, by resolution, all banks or other financial institutions utilized as depositories for Authority funds. Prior to approval, each proposed depository must provide evidence of its designation by the Alabama State Treasurer as a qualified public depository (QPD) under the Security of Alabama Funds Enhancement (SAFE) Act. From time to time, the Board may request that the depository provide evidence of its continuing designation as a QPD. Under the mandatory SAFE program, each QPD is required to hold collateral for all of its public depositories on a pooled basis in a custody account established for the State Treasurer as SAFE administrator.

In the unlikely event a public entity should suffer a deposit loss due to QPD insolvency or default, a claim form would be filed with the State Treasurer who would use the SAFE pool collateral or other means to reimburse the loss. Given the nature of the State requirement, deposits held in QPD institutions are not subject to categorization by use.

As of September 30, 2025 and 2024, approximately \$115 million and \$116 million, respectively, of cash and cash equivalents represent deposits qualified under the SAFE program. All remaining cash and cash equivalents are amounts that are insured or registered, or securities held by the Authority or its agent in the Authority's name.

Deposits can be exposed to various risk factors including custodial credit risk and foreign currency risk. Deposits can be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are 1) uncollateralized, 2) collateralized with securities held by the pledging financial institution or 3) collateralized with securities held by the pledging financial institution's trust department but not in the depositor-government's name.

Given that a majority of the Authority's cash deposits qualify under the SAFE program, the Authority's exposure to custodial credit risk is minimal. Since the Authority does not have any deposits impacted by foreign currencies, there is no associated foreign currency risk.

Restricted Cash and Cash Equivalents

As of September 30, 2025 and 2024, restricted cash of approximately \$31 million and \$25 million, respectively, was held in money market funds with no maturity dates. These funds are restricted as to use for debt service obligations.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

3. CAPITAL ASSETS

The following table is a summary of the activity of various components of capital assets for the year ended September 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land in use	\$ 41,367,552	\$ -	\$ -	\$ 41,367,552
Land for future development	46,703,985	-	-	46,703,985
Intangible asset, easement	10,000	-	-	10,000
Construction work in progress *	34,815,744	153,170,688	(44,312,735)	143,673,697
Total capital assets not being depreciated	<u>122,897,281</u>	<u>153,170,688</u>	<u>(44,312,735)</u>	<u>231,755,234</u>
Capital assets being depreciated:				
Wharves, piers and containerized yards	312,439,116	1,101,436	-	313,540,552
Railroad tracks and crossings	68,286,583	1,984,820	(180,894)	70,090,509
Railroad track usage rights	3,266,015	-	-	3,266,015
Buildings and structures	138,483,254	4,814,922	-	143,298,176
Improvements other than buildings	305,119,816	1,935,629	-	307,055,445
Machinery and equipment	426,295,735	24,477,064	(271,882)	450,500,917
Furniture and fixtures	31,284,955	5,347,978	(10,247)	36,622,686
Total capital assets being depreciated	<u>1,285,175,474</u>	<u>39,661,849</u>	<u>(463,023)</u>	<u>1,324,374,300</u>
Less accumulated depreciation:				
Wharves, piers and containerized yards	157,104,632	7,071,285	-	164,175,917
Railroad tracks and crossings	41,058,431	1,818,539	(48,614)	42,828,356
Railroad track usage rights	3,261,607	335	-	3,261,942
Buildings and structures	89,769,093	2,685,521	-	92,454,614
Improvements other than buildings	154,298,730	9,443,009	-	163,741,739
Machinery and equipment	252,509,175	11,477,755	(270,499)	263,716,431
Furniture and fixtures	23,578,359	1,292,912	(5,431)	24,865,840
Total accumulated depreciation	<u>721,580,027</u>	<u>33,789,356</u>	<u>(324,544)</u>	<u>755,044,839</u>
Total capital assets being depreciated, net	<u>563,595,447</u>	<u>5,872,493</u>	<u>(138,479)</u>	<u>569,329,461</u>
Right-to-use capital assets being amortized:				
Right-to-use building and equipment	97,032	69,898	-	166,930
SBITAs	3,432,659	872,913	(1,429,236)	2,876,336
Total right-to-use capital assets being amortized	<u>3,529,691</u>	<u>942,811</u>	<u>(1,429,236)</u>	<u>3,043,266</u>
Less accumulated amortization:				
Right-to-use building and equipment	48,516	40,505	-	89,021
SBITAs	3,056,833	422,776	(1,519,106)	1,960,503
Total accumulated amortization	<u>3,105,349</u>	<u>463,281</u>	<u>(1,519,106)</u>	<u>2,049,524</u>
Total right-to-use capital assets being amortized, net	<u>424,342</u>	<u>479,530</u>	<u>89,870</u>	<u>993,742</u>
Capital assets, net	<u>\$ 686,917,070</u>	<u>\$ 159,522,711</u>	<u>\$ (44,361,344)</u>	<u>\$ 802,078,437</u>

*For fiscal 2025, retirements/transfers of \$44,312,735 from construction work in progress includes \$39,661,849 of assets capitalized and placed in service, with the remaining amounts transferred to unamortized dredging costs or expensed.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

The following table is a summary of the activity of various components of capital assets for the year ended September 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land in use	\$ 41,374,350	\$ -	\$ (6,798)	\$ 41,367,552
Land for future development	41,675,314	5,028,671	-	46,703,985
Intangible asset, easement	10,000	-	-	10,000
Construction work in progress *	34,452,063	60,357,246	(59,993,565)	34,815,744
Total capital assets not being depreciated	117,511,727	65,385,917	(60,000,363)	122,897,281
Capital assets being depreciated:				
Wharves, piers and containerized yards	311,798,477	640,639	-	312,439,116
Railroad tracks and crossings	65,574,481	2,712,102	-	68,286,583
Railroad track usage rights	3,266,015	-	-	3,266,015
Buildings and structures	124,875,154	14,067,904	(459,804)	138,483,254
Improvements other than buildings	302,675,381	3,578,039	(1,133,604)	305,119,816
Machinery and equipment	410,462,032	17,196,594	(1,362,891)	426,295,735
Furniture and fixtures	30,398,061	888,720	(1,826)	31,284,955
Total capital assets being depreciated	1,249,049,601	39,083,998	(2,958,125)	1,285,175,474
Less accumulated depreciation:				
Wharves, piers and containerized yards	149,968,313	7,136,319	-	157,104,632
Railroad tracks and crossings	39,267,266	1,791,165	-	41,058,431
Railroad track usage rights	3,261,272	335	-	3,261,607
Buildings and structures	87,730,018	2,457,502	(418,427)	89,769,093
Improvements other than buildings	144,870,258	9,428,472	-	154,298,730
Machinery and equipment	243,393,503	9,998,123	(882,451)	252,509,175
Furniture and fixtures	22,750,525	828,022	(188)	23,578,359
Total accumulated depreciation	691,241,155	31,639,938	(1,301,066)	721,580,027
Total capital assets being depreciated, net	557,808,446	7,444,060	(1,657,059)	563,595,447
Right-to-use capital assets being amortized:				
Right-to-use building and equipment	127,524	-	(30,492)	97,032
SBITAs	3,779,998	21,650	(368,989)	3,432,659
Total right-to-use capital assets being amortized	3,907,522	21,650	(399,481)	3,529,691
Less accumulated amortization:				
Right-to-use building and equipment	50,031	28,977	(30,492)	48,516
SBITAs	2,552,157	873,665	(368,989)	3,056,833
Total accumulated amortization	2,602,188	902,642	(399,481)	3,105,349
Total right-to-use capital assets being amortized, net	1,305,334	(880,992)	-	424,342
Capital assets, net	\$ 676,625,507	\$ 71,948,985	\$ (61,657,422)	\$ 686,917,070

*For fiscal 2024, retirements/transfers of \$59,996,565 from construction work in progress, includes \$44,112,668 of assets capitalized and placed in service, with the remaining amounts transferred to unamortized dredging costs or expensed.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Construction work in progress comprises construction and development costs during the construction period and is valued at cost. Depreciation is not recorded until construction is substantially complete and the assets are ready for productive use. Transfers out of construction work in progress that are not capitalized are reclassified to unamortized dredging costs or to expense accounts, allowing for retirements and transfers from this category to be incrementally greater than additions to capital assets.

As of September 30, 2025, construction work in progress includes:

- \$57.8 million associated with Phase IV Expansion at Choctaw Point Container Terminal
- \$27.5 million for upgrading existing equipment as part of McDuffie Coal Terminal Modernization and Standardization Plan
- \$20.4 million related to construction of the Montgomery Inland Port
- \$20.0 million related to expenditures associated with land development
- \$5.0 million for projects jointly undertaken with USACE within and surrounding Mobile Harbor
- \$4.5 million related to repairs, rebuilding and expansion of tracks at Terminal Railway
- \$2.6 million related to upgrades and repairs to piers, wharves and bulkheads
- \$2.3 million associated with dike raising project
- \$1.7 million related to various building upgrades and repairs
- \$1.5 million related to information technology upgrades
- \$0.3 million for equipment upgrades, repairs, and new equipment purchases at the terminals
- \$0.1 million for miscellaneous projects

Estimated future commitments for capital expenditures related to construction work in progress for active projects as of September 30, 2025, exceed \$500 million. Funds from cash, operating revenues, grants and partnerships will satisfy these commitments.

Depreciation and amortization expense for the years ended September 30, 2025 and 2024, was approximately \$34,163,000 and \$32,543,000, respectively. An intangible asset, railroad track usage rights, net is also included in capital assets.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

4. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS AND LEASE ARRANGEMENTS

The following table is a summary of subscription liabilities and lease liabilities for the years ended September 30:

	<u>Balance</u> <u>October 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30, 2025</u>	<u>Due Within</u> <u>One Year</u>
Subscription liability	\$ 734,414	\$ 974,983	\$ (566,114)	\$ 1,143,283	\$ 459,984
Lease liability	49,947	69,898	(38,513)	81,332	43,295
	<u>\$ 784,361</u>	<u>\$ 1,044,881</u>	<u>\$ (604,627)</u>	<u>\$ 1,224,615</u>	<u>\$ 503,279</u>

	<u>Balance</u> <u>October 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Subscription liability	\$ 1,756,869	\$ 767,962	\$ (1,790,417)	\$ 734,414	\$ 309,763
Lease liability	78,431	-	(28,484)	49,947	19,600
	<u>\$ 1,835,300</u>	<u>\$ 767,962</u>	<u>\$ (1,818,901)</u>	<u>\$ 784,361</u>	<u>\$ 329,363</u>

Subscription Liability

The Authority has noncancelable subscription agreements for use of various information technology software and licenses with terms ranging from one to four years. Total subscription assets and related accumulated amortization are disclosed in Note 3.

Minimum future lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 459,984	\$ 24,270	\$ 484,254
2027	470,812	13,443	484,255
2028	212,487	2,671	215,158
	<u>\$ 1,143,283</u>	<u>\$ 40,384</u>	<u>\$ 1,183,667</u>

Lease Liabilities

The Authority has noncancelable lease agreements for use of various equipment and building with terms ranging from one to three years. Total right-to-use assets and related accumulated amortization are disclosed in Note 3.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Minimum future lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 43,295	\$ 1,537	\$ 44,832
2027	34,017	495	34,512
2028	4,020	12	4,032
	<u>\$ 81,332</u>	<u>\$ 2,044</u>	<u>\$ 83,376</u>

5. LESSOR ARRANGEMENTS

The Authority has entered into various leasing agreements as the lessor for the use of land and buildings for initial terms ranging from one to thirty years. The agreements generally contain options for the lessee to extend the term for additional periods ranging from one to ten years, which are included in the measurement of the lease receivable when it is reasonably certain that the options will be exercised. Payment terms in the agreements include fixed revenue components, variable revenue based on the Consumer Price Index (CPI) and/or revenues dependent on the lessee's throughput volumes. Variable lease revenue not included in the measurement of the lease receivable totaled \$7,955,164 and \$7,394,391 for fiscal 2025 and fiscal 2024, respectively. Some agreements contain minimum volume commitments that are considered fixed in substance and are therefore included in the measurement of the lease receivable.

The majority of the lease receivable is comprised of concessionaire agreements that are protected by confidentiality agreements. Under the concessionaire agreements, lessees operate facilities on the Authority's property for lease terms longer than those of other lease arrangements, 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 and related revenues are summarized as follows for fiscal 2025:

	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Concessionaire agreements	\$ 171,985,657	\$ 17,448,831	\$ 4,467,058
Other lease agreements	41,447,737	6,215,509	1,970,329
	<u>\$ 213,433,394</u>	<u>\$ 23,664,340</u>	<u>\$ 6,437,387</u>

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Lease receivables and related revenues are summarized as follows for fiscal 2024:

	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Concessionaire agreements	\$ 176,633,172	\$ 18,132,148	\$ 5,434,273
Other lease agreements	41,757,197	4,641,149	1,137,064
	<u>\$ 218,390,369</u>	<u>\$ 22,773,297</u>	<u>\$ 6,571,337</u>

Minimum future lease receipts are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 4,533,080	\$ 6,495,819	\$ 11,028,899
2027	8,944,838	6,645,070	15,589,908
2028	8,840,373	6,222,251	15,062,624
2029	9,425,462	5,971,133	15,396,595
2030	8,019,017	5,712,344	13,731,361
2031-2035	35,564,648	25,073,951	60,638,599
2036-2040	32,304,221	19,876,134	52,180,355
2041-2045	31,587,306	14,415,934	46,003,240
2046-2050	25,915,673	9,940,898	35,856,571
2051-2055	28,459,797	5,326,372	33,786,169
2056-2060	19,838,979	1,046,199	20,885,178

6. OTHER ASSETS, NET

The following is a summary of other assets, net as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Unamortized dredging costs	\$ 2,646,508	\$ 1,498,614
Prepaid bond insurance	1,501,359	1,623,605
Other assets, net	<u>\$ 4,147,867</u>	<u>\$ 3,122,219</u>

Amortization expense related to dredging costs for the years ended September 30, 2025 and 2024, was approximately \$3,894,000 and \$5,560,000, respectively. Amortization expense related to bond insurance premiums was approximately \$122,000 for both years ended September 30, 2025 and 2024, and is included in interest expense on the statements of revenues, expenses and changes in net position.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

7. BONDS PAYABLE

The following table provides a summary of the long-term bonds payable for the year ended September 30, 2025:

	<u>Beginning Balance</u>	<u>Issuances</u>	<u>Payments/ Refundings</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable from direct borrowings:					
Docks Facilities Revenue Bond Series 2020, originally issued for \$46,986,000, 1.91% due annually through fiscal 2041	\$ 41,019,388	\$ -	\$ 2,064,575	\$ 38,954,813	\$ 2,105,061
Docks Facilities Revenue Bond Series 2024-1, originally issued for \$14,257,000, 4.30% due annually through fiscal 2040	-	14,257,000	-	14,257,000	688,870
Bonds payable:					
Docks Facilities Revenue Refunding Bond Series 2017A, originally issued for \$123,770,000, 5.00% due periodically through fiscal 2036	115,005,000	-	7,340,000	107,665,000	7,705,000
Docks Facilities Revenue Refunding Bond Series 2017C, originally issued for \$6,130,000, 5.00% due October 1, 2036	6,130,000	-	-	6,130,000	-
Docks Facilities Revenue Refunding Bond Series 2017D, originally issued for \$132,990,000, 1.35% to 4.72% due annually through fiscal 2041	110,055,000	-	2,225,000	107,830,000	2,310,000
	<u>\$ 272,209,388</u>	<u>\$ 14,257,000</u>	<u>\$ 11,629,575</u>	274,836,813	<u>\$ 12,808,931</u>
Plus: Unamortized premium, net				8,338,999	
Less: Current maturities				<u>(12,808,931)</u>	
Long-term bonds payable, net				<u>\$ 270,366,881</u>	

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

The following table provides a summary of the long-term bonds payable for the year ended September 30, 2024:

	<u>Beginning Balance</u>	<u>Issuances</u>	<u>Payments/ Refundings</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable from direct borrowings:					
Docks Facilities Revenue Bond Series 2020, originally issued for \$46,986,000, 1.91% due annually through fiscal 2041	\$ 43,045,798	\$ -	\$ 2,026,410	\$ 41,019,388	\$ 2,064,575
Bonds payable:					
Docks Facilities Revenue Refunding Bond Series 2017A, originally issued for \$123,770,000, 5.00% due periodically through fiscal 2036	121,995,000	-	6,990,000	115,005,000	7,340,000
Docks Facilities Revenue Refunding Bond Series 2017C, originally issued for \$6,130,000, 5.00% due October 1, 2036	6,130,000	-	-	6,130,000	-
Docks Facilities Revenue Refunding Bond Series 2017D, originally issued for \$132,990,000, 1.35% to 4.72% due annually through fiscal 2041	112,205,000	-	2,150,000	110,055,000	2,225,000
	<u>\$ 283,375,798</u>	<u>\$ -</u>	<u>\$ 11,166,410</u>	272,209,388	<u>\$ 11,629,575</u>
Plus: Unamortized premium, net				9,169,304	
Less: Current maturities				<u>(11,629,575)</u>	
Long-term bonds payable, net				<u>\$ 269,749,117</u>	

All gross revenues of the Authority collateralize the outstanding balances of the Docks Facilities Revenue Refunding Bonds Series 2017 A-D (Series 2017), the Docks Facilities Revenue Bond Series 2020 (Series 2020) and the Docks Facilities Revenue Bond Series 2024-1 (Series 2024). Gross revenues are generated from services provided, including all special handling and processing charges, tariffs, surcharges, and for the use of docks facilities and other fees and payments made under any lease. Docks facilities are defined as docks and all types of related facilities, including elevators, compressors, conveyors, warehouses, water and rail terminals, coal handling and storage facilities, steel handling facilities, grain elevator facilities, wharves, piles, quays, loading and unloading facilities and other related structures, facilities, equipment, property and property improvements owned or under the management of the Authority.

On December 4, 2024, the Authority issued \$14,257,000 Docks Facilities Revenue Bond Series 2024-1 (Series 2024), at a fixed rate of 4.30% per annum, with interest payable on the first day of each month. Annual principal payments are due through maturity on December 1, 2039. Proceeds from Series 2024 were used to provide funding for the construction and purchase of two stacker reclaimers. Series 2024 was issued as a fully amortized, 15-year tenor bond with varying annual debt service amounts.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

On August 26, 2020, the Authority issued \$46,986,000 Docks Facilities Revenue Bond Series 2020 (Series 2020), at a fixed rate of 1.91% per annum, with interest payable on the first day of each month. Annual principal payments are due through maturity on October 1, 2040. Proceeds from Series 2020 were used to provide long term funding to expand the container handling capacity of its operations at the Choctaw Point Container Terminal, including an approximately 400' by 200' dock extension, and paving, drainage and lighting for an addition of approximately 20 acres to the container storage area. Series 2020 was issued as a fully amortized, 20-year tenor bond with level annual debt service of \$2,848,585.

The Docks Facilities Revenue Refunding Bond Series 2017, Series 2020 and Series 2024-1 require the Authority to adhere to several general and restrictive financial covenants. The financial covenants in the agreements require the Authority to meet minimum debt service coverage ratios with the most restrictive being a ratio of 100% coverage of revenues and investment income to operating expenses and annual debt service (as defined). Management is not aware of any instances of noncompliance with these debt covenants as of September 30, 2025.

Amortization of deferred outflows of resources resulting from debt refunding and amortization of unamortized premiums on long-term debt were \$612,918 for the years ended September 30, 2025 and 2024, and are included in interest expense in the statements of revenues, expenses and changes in net position.

The Series 2020 and Series 2024 Bond results from direct borrowings. Future minimum maturities on the bonds payable from a direct borrowing as of September 30, 2025, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,793,931	\$ 1,295,501	\$ 4,089,432
2027	2,864,235	1,223,881	4,088,116
2028	2,936,680	1,150,699	4,087,379
2029	3,012,339	1,073,601	4,085,940
2030	3,090,112	995,841	4,085,953
2031-2035	16,695,536	3,718,526	20,414,062
2036-2040	19,023,820	1,374,222	20,398,042
2041	2,795,160	4,376	2,799,536
	<u>\$ 53,211,813</u>	<u>\$ 10,836,647</u>	<u>\$ 64,048,460</u>

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Future minimum maturities on the remaining bonds payable as of September 30, 2025, are as follows:

	Principal	Interest	Total
2026	\$ 10,015,000	\$ 10,369,699	\$ 20,384,699
2027	10,495,000	9,892,759	20,387,759
2028	10,400,000	9,401,408	19,801,408
2029	10,905,000	8,895,571	19,800,571
2030	11,435,000	8,362,213	19,797,213
2031-2035	67,675,000	32,723,413	100,398,413
2036-2040	85,020,000	14,704,240	99,724,240
2041	15,680,000	370,205	16,050,205
	\$ 221,625,000	\$ 94,719,508	\$ 316,344,508

8. RESTRICTED NET POSITION

Restricted net position, which represents cash and investments held by trustees under various bond agreements, consists of the following as of September 30, 2025 and 2024:

	2025	2024
Debt service:		
Docks Facilities Renewal and Replacement Fund	\$ 8,522,260	\$ 8,161,566
Docks Facilities Revenue Bond, Series 2017A Debt Service Fund	7,740,090	7,380,895
Docks Facilities Revenue Bond, Series 2017C Debt Service Fund	448	547
Docks Facilities Revenue Bond, Series 2017D Debt Service Fund	2,324,486	2,242,489
Docks Facilities Revenue Bond, Series 2020 Debt Service Fund	2,109,421	2,069,954
Docks Facilities Revenue Bond, Series 2024-1 Debt Service Fund	4,828,302	-
Pension-related:		
Net pension asset - hourly plan	3,847,377	2,086,813
Total restricted	\$29,372,384	\$21,942,264

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

9. RETIREMENT PLANS

The Authority contributes to four retirement plans covering substantially all of its employees:

Alabama State Port Authority Hourly Paid Workers Defined Contribution Plan (Hourly DC Plan), Employees' Retirement System of Alabama (ERS), Hourly Paid Alabama State Port Authority Workers Retirement Plan (Hourly DB Plan), and Terminal Railway Alabama State Port Authority Workers Supplemental Retirement Plan (Railway Plan). The plans had the following balances as of and for the years ended September 30:

2025	<u>ERS</u>	<u>Hourly DB Plan</u>	<u>Railway Plan</u>	<u>Total</u>
Pension assets	\$ 37,497,774	\$ 24,193,203	\$ 1,598,788	\$ 63,289,765
Pension liabilities	<u>59,617,277</u>	<u>19,654,739</u>	<u>1,881,180</u>	<u>81,153,196</u>
Net pension liability (asset)	<u>\$ 22,119,503</u>	<u>\$ (4,538,464)</u>	<u>\$ 282,392</u>	<u>\$ 17,863,431</u>
Deferred outflows	\$ 3,370,985	\$ -	\$ 112,626	\$ 3,483,611
Deferred inflows	\$ 2,947,162	\$ 691,087	\$ 64,384	\$ 3,702,633
Pension expense	\$ 713,922	\$ (353,587)	\$ 87,217	\$ 447,552
2024	<u>ERS</u>	<u>Hourly DB Plan</u>	<u>Railway Plan</u>	<u>Total</u>
Pension assets	\$ 33,515,493	\$ 22,919,381	\$ 1,514,609	\$ 57,949,483
Pension liabilities	<u>59,845,305</u>	<u>20,724,082</u>	<u>1,829,021</u>	<u>82,398,408</u>
Net pension liability (asset)	<u>\$ 26,329,812</u>	<u>\$ (2,195,299)</u>	<u>\$ 314,412</u>	<u>\$ 24,448,925</u>
Deferred outflows	\$ 5,037,639	\$ -	\$ 111,711	\$ 5,149,350
Deferred inflows	\$ 240,016	\$ 108,486	\$ 58,584	\$ 407,086
Pension expense	\$ 2,436,745	\$ 150,953	\$ 85,186	\$ 2,672,884

Alabama State Port Authority Hourly Paid Workers Defined Contribution Plan (Hourly DC Plan)

Plan Description

Hourly paid workers of the Authority participate in a defined contribution plan that requires all hourly employees, other than employees of the Terminal Railway, to contribute a minimum of 2.00% of wages toward their retirement. Vesting in the employer's portion of the defined contribution plan is five years. Employees enrolled solely in the defined contribution plan, and those that have frozen their participation in the Hourly DB Plan, receive a basic employer contribution of 6.00% of wages, and a 50% match on the first 6.00% of employee contributions. Employees that remain in the Hourly DB Plan as their primary retirement vehicle do not receive a basic employer contribution to the Hourly DC Plan; however, they do receive a match of 25% on the first 6.00% of employee contributions and continue to accrue the benefits of the Hourly DB Plan. Newly hired employees are automatically enrolled in the Hourly DC Plan as their sole Authority-provided retirement plan. The Authority's contributions to the Hourly DC Plan for the years ended September 30, 2025 and 2024, were approximately \$1,426,000 and \$1,423,000, respectively.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Employees' Retirement System of Alabama (ERS)

Plan Description

Salaried employees of the Authority subject to the classified system of the State participate in the Employees' Retirement System of Alabama (ERS), a tiered, agent multiple-employer, public employee defined benefit retirement plan. The ERS was established as of October 1, 1945, under the provisions of Act 515 of the State Legislature of 1945. The Authority's participation in the ERS is a cost-sharing arrangement with no separate actuarial information available for the Authority alone. The ERS is a component unit of the State for financial reporting purposes. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report available at www.rsa-al.gov.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the ERS and additions to/deductions from ERS's fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Benefits Provided

The ERS provides retirement allowances and other specified benefits for state employees, state police and employees of cities, counties, towns and quasi-public organizations on an elective basis. The Board of Control is responsible for the general administration and operation of the ERS. The ERS provides retirement benefits as well as death and disability benefits as established by State Law. The retirement benefit provisions are established by Title 36, Chapter 27 of Alabama State Law and must be amended by statute. Benefits for ERS members vest after ten years of credited service.

Effective October 1, 2012, the Alabama Legislature changed the structure to a tiered plan. State employees hired before January 1, 2013, are classified as ERS Tier 1 members. These employees are eligible to retire after 25 years of creditable service regardless of age, or at age 60 with ten years of creditable service. State employees hired after January 1, 2013, who do not have prior service, are classified as ERS Tier 2 members. These employees may retire at age 62 with at least ten years of creditable service. State employees who retire are entitled to an annual retirement benefit, payable monthly for life. ERS provides one year of additional retirement service credit for each five (5) years of employment to those eligible as a full-time firefighter, correctional officer or law enforcement officer, provided that the member remits to the ERS an additional 1.00% of his or her current annual earnable compensation or the previous year's annual earnable compensation, whichever is higher.

This allows for these employees to retire after 20 years of service. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 1 members of ERS are allowed 2.0125% of their average final compensation (highest three of the last ten years) for each year of service. Tier 2 members of ERS are allowed 1.65% of their average final compensation (highest five of the last ten years) for each year of service.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

A pre-retirement death benefit is offered in which the account is credited with ERS employer contributions and investment income on such funds. The pre-retirement death benefit (in the form of group term life insurance) is paid in addition to the return of member contributions upon the death of an active ERS member who has completed at least one year of active membership in the system and whose date of death was within 90 days of such member's last date of actual service. However, a surviving spouse beneficiary 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 ERS for the preceding year ending September 30.

When a member withdraws from service through resignation, the member's accumulated contributions and a portion of accumulated interest credited to the account may be returned to the member.

Contributions

Title 36, Chapter 27 of the Alabama State Law established the contribution requirements and may only be amended by State statute. The law provides that the Board of Control engage an actuary to prepare an annual valuation of the assets and liabilities of the various reserves.

The actuary has computed, as of the date of the latest available actuarial valuation, the estimated present value of benefits payable to retired members, beneficiaries, and active members. The actuarial valuations are prepared using the entry age normal method. The present value of the expected benefits payable on account of the active members is added to the present value of the expected future payments to retired members and beneficiaries to obtain the present value of all expected benefits payable from ERS on account of the present group of members and beneficiaries.

ERS funding policies provide for employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. The employer contributions required to support the benefits are determined following a level funding approach and consist of a normal contribution, an accrued liability contribution and a portion to finance administrative costs.

The accrued liability contribution is expected to liquidate the accrued liability within the ERS funding period of 30 years.

The employee required contribution rate to ERS for Tier 1 covered members, with the exception of law enforcement officers, is 7.50% of earnable compensation. The employee required contribution rate to ERS for Tier 1 certified law enforcement officers is 8.50% of earnable compensation. The employer required contribution rate to ERS for all employees in Tier 1 was 16.26% for fiscal 2025 and 16.00% for fiscal 2024. Tier 2 covered members, with the exception of law enforcement officers, contribute 6.00% of earnable compensation. The employee required contribution rate to ERS for Tier 2 certified law enforcement officers is 7.00% of earnable compensation. The employer required contribution rate to ERS for all employees in Tier 2 was 16.02% fiscal 2025 and 15.76% for fiscal 2024. The Authority's total contribution requirement and contributions made for fiscal 2025 and 2024 were approximately \$3,079,000 and \$2,607,000, respectively, which consisted of approximately \$2,178,000 and \$1,824,000 from the Authority and \$901,000 and \$783,000 from employees, respectively.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to ERS

As of September 30, 2025, the Authority reported a liability of \$22,119,503 for its proportionate share of the net ERS liability. The net ERS liability was measured as of September 30, 2024, and the total ERS liability used to calculate the net ERS liability was determined by an actuarial valuation as of September 30, 2023. The Authority's proportion of the net ERS liability was based on a projection of the Authority's long-term share of contributions to the ERS plan relative to the projected contributions of all participating entities, actuarially determined. At the September 30, 2024 measurement date, the Authority's proportion was 0.642%, which was a decrease from 0.663%, its proportion measured as of the September 30, 2023 measurement date.

Due to the one year difference in measurement date and fiscal year end, the Authority recognized ERS expense of \$1,823,867 and \$1,596,200, for the years ended September 30, 2025 and 2024, respectively. As of September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 992,499	\$ 18,725
Net difference between projected and actual earnings on pension plan investments	-	2,417,877
Changes in proportion and differences between Authority contributions and proportionate share of contributions	200,344	510,560
Authority contributions subsequent to the measurement date	2,178,142	-
	\$ 3,370,985	\$ 2,947,162

Deferred outflows of resources of \$2,178,142, which will be recognized as a reduction of the net pension liability during the year ending September 30, 2026, resulting from Authority contributions made subsequent to the measurement date.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

As of September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,042,740	\$ 67,701
Changes in assumptions	313,555	-
Net difference between projected and actual earnings on pension plan investments	1,437,853	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	419,624	172,315
Authority contributions subsequent to the measurement date	1,823,867	-
	\$ 5,037,639	\$ 240,016

Deferred outflows of resources of \$1,823,867, which will be recognized as a reduction of the net pension liability during the year ending September 30, 2025, resulting from Authority contributions made subsequent to the measurement date.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

Year ended September 30:

2026	\$ (28,161)
2027	328,593
2028	(1,190,866)
2029	(863,885)
	\$ (1,754,319)

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Utilizing the discount rate of 7.45%, the following presents the Authority’s proportionate share of the net pension liability. The information presented also shows the Authority’s proportionate share of the net pension liability calculated using a discount rate that is one percentage point lower and one percentage point higher than the current rate for the fiscal year ended September 30:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
2025	\$ 28,359,631	\$ 22,119,503	\$ 16,826,354
2024	\$ 32,585,300	\$ 26,329,812	\$ 21,022,160

Hourly Paid Alabama State Port Authority Workers Retirement Plan (Hourly DB Plan)

Plan Description

All of the Authority's hourly employees, other than employees of the Terminal Railway, that were employed prior to January 1, 2011, who were at least 21 years of age and had completed one year of service, were eligible to participate in the Hourly DB Plan, a single employer, noncontributory defined benefit pension plan. This benefit is based solely on years of service and does not have a wage component. The Authority was authorized to establish and fund this Hourly DB Plan by action of the State Legislature. The assets of the plan are administered by the Retirement Systems of Alabama while the Authority administers the payment of benefits. The Hourly DB Plan issues stand-alone financial statements, a copy of which may be obtained by submitting a written request to the Chief Financial Officer of the Authority. The plan was closed to new participants in fiscal 2011 in favor of the Hourly DC Plan previously described. Employees had the choice of continuing to participate in the Hourly DB Plan and receiving a reduced match of their mandated and eligible elective contributions to the Hourly DC Plan or freezing their participation in the Hourly DB Plan and receiving the enhanced matching of their contributions in the Hourly DC Plan. Those employees who were not vested as of January 1, 2011, had the additional option of transferring the fair value of their accumulated benefit in the Hourly DB Plan into the Hourly DC Plan, such sums not being subject to employer matching. These plan selections were irrevocable.

Summary of Significant Accounting Policies

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Hourly DB Plan and additions to/deductions from the Hourly DB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Hourly DB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Benefits Provided

Participants of the Hourly DB Plan becoming eligible for Social Security and having completed at least ten years of service are currently entitled to benefits of \$325 to \$1,653 a month, up to 35 years of service, as well as those of any age with 30 consecutive years of service. Participants receive an additional \$44 per month for each year of service in excess of 36 years. For active participants, the plan benefits are indexed according to the CPI-U, capped at 3.00% in any year. Active participants who become disabled after completion of five years of service, and who are eligible for Social Security benefits, receive disability benefits which are calculated under the same methods used for normal service retirement benefits. If a participant with at least ten years of service leaves before his/her normal retirement date, he/she will be entitled to a monthly benefit deferred to the date at which he/she becomes eligible for Social Security, determined in accordance with the normal service retirement benefits.

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms as of September 30, 2025 and 2024:

	2025	2024
Inactive employees or beneficiaries currently receiving benefits	153	154
Inactive employees entitled to but not receiving benefits	27	32
Active employees	41	46
	221	232

Contributions

The Authority's funding policy is to contribute an actuarially determined amount equivalent to the "Normal Cost," utilizing the level percent of inflation (2.50%) amortization method, plus an amortization factor that is designed to remove the beginning unfunded liability over a 40-year period and other actuarial gains and losses over a 15-year period from the year of the gain or loss. Plan amendments are amortized over a 30-year period.

The annual required contribution for the current year was determined as part of the January 1, 2025, actuarial valuation using the entry age normal percent of pay method. The actuarial assumptions include a 4.75% investment rate of return, with a 2.50% inflation rate inherent in this assumption and with administrative expenses paid outside of the plan. The assumptions do not include post-retirement benefit increases. The plan does not include projected salary increases as the benefit is based solely on years of service. As of the January 1, 2024 measurement date, the plan had obtained fully funded status, resulting in a reset of all previous amortization bases to \$0 with the overfunded amount amortized over 30 years. If the plan reaches an unfunded status again, a layered amortization approach will again be established. The actuarial value of assets was determined using techniques that normalize the effects of short-term volatility in the fair value of investments with actuarial gains or losses being amortized over 15 years from the year of gain or loss on a closed basis.

The Authority's contributions were \$1,406,977 and \$1,478,268, equaling 7.76% and 7.95% of payroll of covered participants for the years ended September 30, 2025 and 2024, respectively.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Net Pension Liability / Asset

The Authority's net pension asset was measured as of September 30, 2025 and 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2025 and 2024, rolled forward to September 30 using generally accepted actuarial principles.

The total pension liability in the September 30, 2025 and 2024 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Rates	
	2025	2024
Inflation	2.50%	2.50%
Discount rate	4.75%	4.75%
Investment rate of return	4.75%	4.75%

Healthy mortality rates for the year ended September 30, 2025, for the Hourly Plan were based on the PUB-2010 General Healthy Retiree – Below Median Income Mortality Table (sex distinct) with a two-year set forward adjustment. Disabled mortality rates were based on the PUB-2010 General Disabled Retiree – Below Median Income Mortality Table (sex distinct) with a seven-year set forward adjustment for males and a three-year set forward adjustment for females.

The following illustrates the target allocation and best estimates of arithmetic real rates of return for each major asset class for the year ended September 30, 2025:

	Target Allocation	Long-Term Expected Real Rate of Return
Investment Type:		
Short-Term Securities (cash equivalents)	7.50%	1.19%
U.S. Government / Agency (cash equivalents)	27.50%	1.19%
Corporate Bonds	34.00%	2.88%
Large-, Mid- and Small-Cap Equities	17.00%	4.79%
Mortgage-Backed Securities	14.00%	3.98%
	100.00%	

As of September 30, 2025 and 2024, there were no investments in the Hourly DB Plan's fiduciary net position that represented a concentration of 5.00% or more in any organization.

The long-term expected rate of return on the Hourly DB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) was 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.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

The discount rate used to measure the total pension liability was the long-term rate of return of 4.75% for both years and a municipal bond rate (based on the 20-year Bond Buyer GO Index) of 4.90% and 3.81% as of September 30, 2025 and 2024, respectively. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the current contribution rate, and the contributions will be made based on the current funding policy for future years. Based on those assumptions, the 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.

	Total Pension Liability (A)	Pension Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances as of October 1, 2024	\$ 20,724,082	\$ 22,919,381	\$ (2,195,299)
Service cost	95,119	-	95,119
Interest cost	955,884	-	955,884
Experience differences	(713,369)	-	(713,369)
Contributions – employer	-	1,406,977	(1,406,977)
Benefit payments	(1,406,977)	(1,406,977)	-
Net investment income	-	1,273,822	(1,273,822)
Net changes	<u>(1,069,343)</u>	<u>1,273,822</u>	<u>(2,343,165)</u>
Balances as of September 30, 2025	<u>\$ 19,654,739</u>	<u>\$ 24,193,203</u>	<u>\$ (4,538,464)</u>
	Total Pension Liability (A)	Pension Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances as of October 1, 2023	\$ 21,450,336	\$ 20,027,462	\$ 1,422,874
Service cost	96,916	-	96,916
Interest cost	988,793	-	988,793
Experience differences	(333,695)	-	(333,695)
Contributions – employer	-	1,478,268	(1,478,268)
Benefit payments	(1,478,268)	(1,478,268)	-
Net investment income	-	2,891,919	(2,891,919)
Net changes	<u>(726,254)</u>	<u>2,891,919</u>	<u>(3,618,173)</u>
Balances as of September 30, 2024	<u>\$ 20,724,082</u>	<u>\$ 22,919,381</u>	<u>\$ (2,195,299)</u>

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following information presents the net pension liability (asset) calculated using the discount rate of 4.75% as well as net pension asset using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of September 30, 2025:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
2025	\$ (2,643,165)	\$ (4,538,464)	\$ (6,167,098)
2024	\$ (179,169)	\$ (2,195,299)	\$ (3,927,174)

For the years ended September 30, 2025 and 2024, the plan recognized pension (income) expense of \$(353,587) and \$150,953, respectively. As of September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 562,447
Differences between expected and actual experience	-	128,640
	\$ -	\$ 691,087

As of September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 18,364
Differences between expected and actual experience	-	90,122
	\$ -	\$ 108,486

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Hourly DB Plan will be recognized in pension expense (benefit) as follows:

Year ended September 30:

2026		\$	195,250
2027			(424,153)
2028			(425,153)
2029			(37,031)
			(691,087)
		\$	(691,087)

Terminal Railway Alabama State Port Authority Workers Supplemental Retirement Plan (Railway Plan)

Plan Description

All of the Authority's Terminal Railway employees who work at least one day per month, for at least seven months, participate in the Railway Plan, a single employer, non-contributory defined benefit pension plan. The Authority was authorized to establish and fund this Railway Plan by action of the State Legislature. The assets of the plan are administered by the Retirement Systems of Alabama while the Authority administers the payment of benefits. The Railway Plan issues stand-alone financial statements, a copy of which may be obtained by submitting a written request to the Chief Financial Officer of the Authority.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Railway Plan and additions to/deductions from the Railway Plan's fiduciary net position have been determined on the same basis as they are reported by the Railway Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

Employees attaining the age of 62 and completion of ten consecutive years of service or age 60 and completion of 30 consecutive years of service are entitled to benefits of \$7 to \$210 a month, depending upon length of service. Active employees who become disabled after completion of ten years of service and are eligible for disability benefits under the Railroad Retirement Act receive disability benefits that are calculated under the same methods used for normal service retirement benefits. If an employee leaves before meeting one of the above retirement criteria, he/she is not entitled to benefits under this plan.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Employees Covered by Benefit Terms

As of September 30, 2025 and 2024, the following employees were covered by the benefit terms:

	2025	2024
Inactive employees or beneficiaries currently receiving benefits	63	63
Active employees	104	107
	167	170

Contributions

The Authority's funding policy is to contribute an actuarially determined amount equivalent to the "Normal Cost," utilizing the level percent of inflation (2.50%) amortization method, plus an amortization factor that is designed to remove the beginning unfunded liability over a 40-year period and other actuarial gains and losses over a 15-year period from the year of the gain or loss. Plan amendments are amortized over a 30-year period.

The annual required contribution for the current year was determined as part of the January 1, 2025, actuarial valuation using the entry age normal percent of pay method. The actuarial assumptions include a 4.75% investment rate of return, with a 2.50% inflation rate inherent in this assumption and with administrative expenses paid outside of the plan. The assumptions do not include post-retirement benefit increases. The plan does not include projected salary increases as the benefit is based solely on years of service. The original unfunded actuarial accrued liability is being amortized over a 40-year period on a closed basis with a remaining amortization period of two years. The actuarial value of assets was determined using techniques that normalize the effects of short-term volatility in the fair value of investments with actuarial gains or losses being amortized over 15 years from the year of gain or loss on a closed basis.

Contributions were \$114,352 and \$160,551, equaling 1.12% and 1.33% of payroll of covered participants for the years ended September 30, 2025 and 2024, respectively.

Net Pension Liability

The Authority's net pension liability was measured as of September 30, 2025 and 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025 and 2024, rolled forward to September 30 using generally accepted actuarial principles.

The total pension liability in the September 30, 2025 and 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Rates	
	2025	2024
Inflation	2.50%	2.50%
Discount rate	4.75%	4.75%
Investment rate of return	4.75%	4.75%

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Healthy mortality rates for the year ended September 30, 2025, for the Railway Plan were based on the PUB-2010 General Healthy Retiree – Below Median Income Mortality Table (sex distinct) with a two-year set forward adjustment. Disabled mortality rates were based on the PUB-2010 General Disabled Retiree – Below Median Income Mortality Table (sex distinct) with a seven-year set forward adjustment for males and a three-year set forward adjustment for females.

The following illustrates the target allocation and best estimates of arithmetic real rates of return for each major asset class for the year ended September 30, 2025:

	Target Allocation	Long-Term Expected Real Rate of Return
Investment Type:		
Short-Term Securities (cash equivalents)	7.50%	1.19%
U.S. Government / Agency (cash equivalents)	27.50%	1.19%
Corporate Bonds	34.00%	2.88%
Large-, Mid- and Small-Cap Equities	17.00%	4.79%
Mortgage-Backed Securities	14.00%	3.98%
	100.00%	

As of September 30, 2025 and 2024, there were no investments in the Railway Plan’s fiduciary net position that represented a concentration of 5.00% or more in any organization.

The long-term expected rate of return on the Railway Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) was 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 discount rate used to measure the total pension liability was the long-term rate of return of 4.75% for both years and a municipal bond rate (based on the 20-year Bond Buyer GO Index) of 4.90% and 3.81% as of September 30, 2025 and 2024, respectively. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the current contribution rate, and the contributions will be made based on the current funding policy for future years. Based on those assumptions, the 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.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

	Total Pension Liability (A)	Pension Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances as of October 1, 2024	\$ 1,829,021	\$ 1,514,609	\$ 314,412
Service cost	30,343	-	30,343
Interest cost	85,635	-	85,635
Changes for experience	50,533	-	50,533
Contributions – employer	-	114,352	(114,352)
Benefit payments	(114,352)	(114,352)	-
Net investment income	-	84,179	(84,179)
Net changes	52,159	84,179	(32,020)
Balances as of September 30, 2025	<u>\$ 1,881,180</u>	<u>\$ 1,598,788</u>	<u>\$ 282,392</u>
	Total Pension Liability (A)	Pension Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances as of October 1, 2023	\$ 1,789,775	\$ 1,287,554	\$ 502,221
Service cost	28,161	-	28,161
Interest cost	83,503	-	83,503
Changes for experience	48,951	-	48,951
Contributions – employer	-	160,551	(160,551)
Benefit payments	(121,369)	(121,369)	-
Net investment income	-	187,873	(187,873)
Net changes	39,246	227,055	(187,809)
Balances as of September 30, 2024	<u>\$ 1,829,021</u>	<u>\$ 1,514,609</u>	<u>\$ 314,412</u>

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

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

The following information presents the net pension liability calculated using the discount rate of 4.75%, as well as net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of the fiscal year ended September 30.

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
2025	\$ 482,539	\$ 282,392	\$ 112,511
2024	\$ 511,568	\$ 314,412	\$ 147,233

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Railway Plan

For the years ended September 30, 2025 and 2024, the plan recognized pension expense of \$87,217 and \$85,186, respectively. As of September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 37,128
Changes in assumptions	37,786	-
Differences between expected and actual experience	74,840	27,256
	\$ 112,626	\$ 64,384

As of September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,577
Changes in assumptions	66,792	4,500
Differences between expected and actual experience	44,919	51,507
	\$ 111,711	\$ 58,584

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Railway Plan will be recognized in pension expense as follows:

Year ended September 30:

2026	\$	44,288
2027		(5,328)
2028		(9,963)
2029		12,652
2030		6,593
		48,242
	\$	48,242

10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The State Employees’ Insurance Board (SEIB) is responsible for the establishment of the State of Alabama Employees’ Health Insurance Plan (SEHIP) and its general administration and operation, including the determination of participant premiums. The SEIB is a body incorporated for the purpose of management of health insurance benefits and operates the SEHIP providing health care benefits to all participating State and State agency employees. For the purposes of reporting under GASB Statement No. 75, the SEHIP is assumed to be a cost-sharing-employer defined benefit other postemployment benefit (OPEB) plan. The contributions and benefit payments related to retirees are processed through the SEIB’s plans along with activity related to active employees.

The State Employees’ Insurance Fund (SEIF) was established in 1965 to provide health insurance benefits for employees and retired employees of the State and certain state agencies. Effective October 1, 1988, administration responsibility for SEIF was transferred from the Retirement Systems of Alabama to separate staff employed by the Board. All assets of the SEIF are held in trust for payment of health insurance benefits, and both active and retiree health benefits are paid through the SEIF. The contributions (both employer and plan member) and benefit payments related to retirees that are processed through the SEIF are segregated from the SEIF and reported as part of the Alabama Retired State Employees’ Health Care Trust (SEIF – Retired Trust).

The financial statements of the SEIB provide reporting for SEIF and SEIF – Retired Trust, and the SEIB’s audited financial statements are publicly available on the SEIB’s website at www.alseib.org.

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the SEIB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Benefits Provided

The SEIB serves as the Plan Administrator for the SEHIP and is primarily responsible for the control and supervision of the SEHIP. The SEIB is also responsible for designing benefits and setting premiums. Benefits include basic medical coverage. Retiree medical eligibility is attained when an employee of the Authority, other than employees of the Terminal Railway, retires after reaching at least ten years of creditable service with SEHIP.

Contributions

Code of Alabama 1975, Section 36-29-19.7 provides that the SEIB shall set forth the employer contribution to the health insurance premium for each retiree class. For retirees who retired prior to October 1, 2005, the State pays 100% of the premium for a retiree who is over 65 and eligible for Medicare. The SEIB determines annually the required contributions from agencies and retirees to adequately fund retiree health costs.

Retiree contributions vary based on type of contract, dependent coverage, Medicare eligibility and election, wellness participation, spousal surcharge, and tobacco usage. A sliding scale premium is applied to all employees retiring after September 30, 2005, based on their years of service. The premium for retiree coverage is broken down into the employer share and the retiree share. Under the sliding scale, the retiree is still responsible for the retiree share; however, the employer share will increase or decrease based upon a retiree's years of service. For those employees retiring with 25 years of service, the employer would pay 100% of the employer share of the premium. For each year less than 25, the employer share is reduced by 2.00% and the retiree share is increased accordingly. For each year over 25, the employer share is increased by 2.00% and the retiree share reduced accordingly. For members retiring on or after January 1, 2012, the 2.00% reduction in the employer share of the premium for each year of service less than 25 was increased to 4.00%. In addition, a 1.00% reduction in the employer share of the premium is added for each year of age less than the Medicare entitlement age. This additional age premium component is removed upon attaining Medicare entitlement. Furthermore, monthly retiree contributions are subject to discounts for wellness, non-tobacco use and spousal surcharge waiver and are as follows: Wellness (pre-Medicare only), \$25 retiree, \$25 spouse; non-tobacco use, \$60 retiree and spouse; spousal surcharge of \$50 if a spouse is covered but is eligible for other insurance coverage.

The contribution requirements of the plan members and state agencies are established and may be amended by the SEIB. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the SEIB. For both plan years ended September 30, 2024 and 2023, state agencies were required to contribute to the SEIF a blended rate of \$930 per month per active employee. These blended rates provide for the employer's portion of active and retired employee premiums. For the years ended September 30, 2025 and 2024, the Authority contributed \$702,684 and \$982,716, respectively, to the SEIF.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Net OPEB Liability

The Authority's net OPEB liability was measured as of September 30, 2024, and the total OPEB liability was determined by an actuarial valuation as of September 30, 2023. The Authority's proportion of the net OPEB liability was based on the Authority's contributions made to the plan during the fiscal year ended September 30, 2024, relative to total contributions made by all participating entities. At the September 30, 2024, measurement date, the Authority's proportion was 1.74%, which was a decrease from 1.76%, its proportion measured as of the September 30, 2023 measurement date. The components of the net OPEB liability as of and for the years ended September 30, 2025 and 2024, were as follows:

	2025	2024
Total OPEB liability	\$ 39,259,570	\$ 20,771,337
OPEB fiduciary net position	5,306,489	4,286,697
Net OPEB liability	\$ 33,953,081	\$ 16,484,640

Actuarial Assumptions and Other Inputs

The following are the actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	6.00%-3.25% for State Employees, including 2.75% wage inflation
Long-term investment rate of return	7.25% compounded annually, net of investment expense, including inflation
Municipal Bond Index Rate at measurement date	3.89%
Municipal Bond Index Rate at prior measurement date	4.53%
Year Fiduciary Net Position is projected to be depleted	2043
Single Equivalent Interest Rate at measurement date	4.52%
Single Equivalent Interest Rate at prior measurement date	7.25%
Healthcare cost trend rate	
Pre-Medicare eligible	6.75%
Medicare eligible	**
Ultimate trend rate	
Pre-Medicare eligible	4.50% in 2033
Medicare eligible	4.50% in 2028
Dental trend rate	4.50%

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

The rates of mortality are based on the Pub-2010 Public Mortality Plans Mortality Tables adjusted generationally based on scale MP-2020.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

The long-term expected rate of return on the plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) was 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 adding expected inflation. The following illustrates the target allocation and best estimates of geometric real rates of return for each major asset class for the measurement date of September 30, 2024:

Investment Type:	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	28.20%	4.40%
U.S. Domestic Stocks	55.20%	8.70%
International Developed Market Stocks	10.80%	9.80%
Cash	5.80%	1.50%
	100.00%	

Determination of the Single Equivalent Interest Rate (SEIR), or discount rate, used to measure the total OPEB liability requires projection of the Fiduciary Net Position (FNP) into the future for as long as there are anticipated benefits payable under the plan's provisions applicable to the members and beneficiaries of the Plan at the Measurement Date. If the FNP is not projected to be depleted at any point in the future, the long term expected rate of return on plan investments may be used as the SEIR. If the FNP is projected to be depleted, the SEIR is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion by the long-term expected rate of return (4.52% and 7.25% at the September 30, 2024 and 2023, measurement dates, respectively), and the present value determined by discounting those benefits after the date of depletion by the Municipal Bond Index Rate (3.89% and 4.53% at the September 30, 2024 and 2023, measurement dates, respectively). The Municipal Bond Index Rate, if necessary, is the average of the Bond Buyer General Obligation 20-year Municipal Bond Index, the S&P High Grade 20-year Municipal Bond Index, and the Bloomberg (Barclays) General Obligation 20-year Muni Bond Index.

At the September 30, 2024 measurement date, the FNP was projected to be depleted in 2043; therefore, the long-term expected rate of return of 3.89% was used as the SEIR. At the September 30, 2023 measurement date, the FNP was not projected to be depleted at any point in the future; therefore, the long-term expected rate of return of 7.25% was used as the SEIR.

In 2024, to reflect actual and anticipated experience more closely, assumptions regarding aging factors were adjusted. The future healthcare trend rates for the prescription drugs were updated.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

In 2023, rates of participation for future retirees with less than 15 years of service, current retirees waiving coverage and current eligible deferred vested members were adjusted to reflect recent experience and the impact of the sliding scale legislation. To reflect actual and anticipated experience more closely, assumed rates of coverage for spouses of female retirees were increased from 25% to 30%, and assumed rates of Medicare eligible participants subject to the spousal surcharge were decreased from 10% to 0%.

In 2022, rates of participation were adjusted to reflect actual and anticipated experience more closely. 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. In 2019, assumed rates of tobacco use, spouse participation and the payment of the spousal surcharge were adjusted to more closely reflect actual and anticipated experience.

Beginning in plan year 2022, the valuation reflects the provisions of legislative 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 2.00% for each year that the member is less than age 62 at retirement (age 56 for FLC), and 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 2.00% for each year that the member is less than age 62 at retirement (age 56 for FLC). Beginning in plan year 2021, the MAPD plan premium rates exclude the Affordable Care Act (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 Medicare Advantage Plan (MAPD) that offers prescription drug coverage. There were no other plan changes or changes in actuarial assumptions made since the prior measurement date.

The decremental assumptions and methods used in the valuation were selected based on the actuarial experience study prepared as of September 30, 2020, submitted to and adopted by the SEIB on September 14, 2021. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the September 30, 2023 valuation were also based on this actuarial experience study.

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

The following information presents the net OPEB liability calculated using the discount rate of 4.52% as well as net OPEB liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of the fiscal year ended September 30:

	1% Decrease (3.52%)	Current Discount Rate (4.52%)	1% Increase (5.52%)
2025	\$ 40,461,401	\$ 33,953,081	\$ 28,722,782
2024	\$ 19,117,660	\$ 16,484,640	\$ 14,278,595

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

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

The following information presents the net OPEB liability calculated using current healthcare cost trend rates, as well as net OPEB liability using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease (5.75% decreasing to 3.50% for pre-Medicare; known decreasing to 3.50% for Medicare eligible)	Current Healthcare Cost Trend Rates (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)
2025	\$ 26,836,037	\$ 33,953,081	\$ 42,963,667
2024	\$ 13,237,961	\$ 16,484,640	\$ 20,429,480

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,607,325	\$ 2,663,416
Changes in assumptions	8,228,803	781,303
Net difference between projected and actual earnings on OPEB plan investments	-	462,774
Changes in proportion and differences between Authority contributions and proportionate share of contributions	4,138,578	1,415,928
Authority contributions subsequent to the measurement date	702,684	-
	<u>\$ 20,677,390</u>	<u>\$ 5,323,421</u>

Deferred outflows of resources of \$702,684 resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2026.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

As of September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,787	\$ 5,727,930
Changes in assumptions	1,889,926	3,177,204
Net difference between projected and actual earnings on OPEB plan investments	190,054	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	5,423,819	2,657,818
Authority contributions subsequent to the measurement date	982,717	-
	\$ 8,566,303	\$ 11,562,952

Deferred outflows of resources of \$982,717 resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Year ended September 30:	
2026	\$ 2,652,411
2027	4,096,295
2028	3,499,656
2029	3,226,644
2030	1,176,279
Thereafter	-
	\$ 14,651,285

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

11. UNPAID CLAIMS LIABILITIES

The Authority is partially self-insured with respect to workers' compensation claims. An accrual for uninsured claims due within one year is included in other accrued liabilities in the statements of net position. The liability for estimated claims that have been incurred but have not been reported, as well as a cash development factor for known claims, has been accrued as unpaid claims in the statements of net position. The following represents changes in those aggregate liabilities for the Authority during the years ended September 30, 2025 and 2024:

	2025	2024
Reported claims payable and estimated claims incurred but not reported at beginning of year	\$ 1,028,867	\$ 1,190,956
Provisions for claims	1,125	299,366
Payments	(225,049)	(461,455)
Reported claims payable and estimated claims incurred but not reported at end of year	804,943	1,028,867
Less: current liabilities	343,252	380,371
Reported long-term claims payable at end of year	\$ 461,691	\$ 648,496

12. COMMITMENTS AND CONTINGENCIES

Environmental Remediation

In December 1976, the Authority purchased a parcel of land on which there was, at the time of purchase, an operating creosoting facility. Creosoting operations had existed on the property since or about 1901 and continued until or about 1986.

In December 1985, the Authority entered into a Consent Agreement and Final Order with the U.S. Environmental Protection Agency (EPA), agreeing to submit to the EPA a closure plan for the property and then implement the closure plan and meet all requirements of the post-closure permit application. The Authority, under the guidance of the Alabama Department of Environmental Management (ADEM), developed a corrective measures plan, and remediation work was completed in 2006. The plan required soil coverage (to ensure no physical contact with the contaminated soil), drainage, ongoing monitoring and other environmental site work, which is expected to continue until defined metrics are achieved.

The EPA retains jurisdiction to bring an enforcement action against the Authority should the EPA find that handling, storage, treatment, transportation or disposal of hazardous or solid waste at the facility presents an imminent and substantial endangerment to human health or the environment. The EPA also retains jurisdiction to approve and monitor the clean-up procedures and closure at the site.

**ALABAMA STATE PORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Litigation

The Authority is a defendant in various litigation and environmental disputes in the normal course of business. Management is of the opinion that the ultimate resolution of such claims will not materially affect the Authority's financial position or results of operations.

Grants

Amounts received or receivable from the grantor agency are subject to audit and adjustment by the grantor agency. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant, and therefore would not have a material effect on the Authority's financial position.

13. RELATED PARTY TRANSACTIONS

During the years ended September 30, 2025 and 2024, the Authority had no revenues or expenses with entities having principals who are members of the Authority's Board of Directors.

14. SUBSEQUENT EVENTS

On October 29, 2025, the Authority and APM Terminals Mobile announced an agreement to proceed with construction of a new 1,300-foot container berth at the Port of Mobile. This \$131 million project (Phase V) will be funded by federal appropriations to the Authority and enhanced by private investments from APM Terminals.

On November 25, 2025, the second obligation of the Docks Facilities Revenue Bond Series 2024 was issued and will be referred to as Docks Facilities Revenue Bond Series 2024-2. The total amount issued was \$40,678,000.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS (HOURLY DB PLAN)
LAST TEN FISCAL YEARS ENDED SEPTEMBER 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service cost	\$ 95,119	\$ 96,916	\$ 95,481	\$ 107,417	\$ 132,274	\$ 133,730	\$ 138,460	\$ 143,789	\$ 157,083	\$ 174,718
Interest cost	955,884	988,793	1,011,797	1,038,889	1,050,335	1,104,298	1,128,442	1,237,387	1,258,862	1,281,263
Differences between expected and actual experience	(713,369)	(333,695)	(105,705)	7,187	148,067	(297,055)	(261,081)	(332,921)	34,124	(189,550)
Changes in assumptions	-	-	-	1,893,215	-	449,566	(36,917)	(684,685)	446,893	(309,826)
Benefit payments	(1,406,977)	(1,478,268)	(1,496,154)	(1,545,711)	(1,502,523)	(1,419,364)	(1,387,398)	(1,334,290)	(1,354,487)	(1,271,369)
Net change in total pension liability	(1,069,343)	(726,254)	(494,581)	1,500,997	(171,847)	(28,825)	(418,494)	(970,720)	542,475	(314,764)
Total pension liability – beginning	20,724,082	21,450,336	21,944,917	20,443,920	20,615,767	20,644,592	21,063,086	22,033,806	21,491,331	21,806,095
Total pension liability – ending (A)	19,654,739	20,724,082	21,450,336	21,944,917	20,443,920	20,615,767	20,644,592	21,063,086	22,033,806	21,491,331
PENSION FIDUCIARY NET POSITION										
Contributions – employer	1,406,977	1,478,268	1,496,154	1,545,711	1,502,523	1,419,364	1,387,398	1,334,290	1,354,487	1,271,369
Net investment income (loss)	1,273,822	2,891,919	903,397	(2,599,729)	917,145	1,575,424	1,451,331	369,013	601,428	1,094,074
Benefit payments	(1,406,977)	(1,478,268)	(1,496,154)	(1,545,711)	(1,502,523)	(1,419,364)	(1,387,398)	(1,334,290)	(1,354,487)	(1,271,369)
Net change in pension fiduciary net position	1,273,822	2,891,919	903,397	(2,599,729)	917,145	1,575,424	1,451,331	369,013	601,428	1,094,074
Pension fiduciary net position – beginning	22,919,381	20,027,462	19,124,065	21,723,794	20,806,649	19,231,225	17,779,894	17,410,881	16,809,453	15,715,379
Pension fiduciary net position – ending (B)	24,193,203	22,919,381	20,027,462	19,124,065	21,723,794	20,806,649	19,231,225	17,779,894	17,410,881	16,809,453
NET PENSION LIABILITY (ASSET) (A) - (B)	\$ (4,538,464)	\$ (2,195,299)	\$ 1,422,874	\$ 2,820,852	\$ (1,279,874)	\$ (190,882)	\$ 1,413,367	\$ 3,283,192	\$ 4,622,925	\$ 4,681,878
FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	123.09%	110.59%	93.37%	87.15%	106.26%	100.93%	93.15%	84.41%	79.02%	78.22%
COVERED PAYROLL	\$ 18,119,580	\$ 18,586,682	\$ 17,222,177	\$ 14,866,931	\$ 13,727,865	\$ 15,790,208	\$ 16,283,596	\$ 14,669,586	\$ 12,704,324	\$ 12,136,336
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	-25.05%	-11.81%	8.26%	18.97%	-9.32%	-1.21%	8.68%	22.38%	36.39%	38.58%

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF AUTHORITY CONTRIBUTIONS (HOURLY DB PLAN)
LAST TEN FISCAL YEARS ENDED SEPTEMBER 30**

Fiscal Year	Actuarially Determined Contribution	Contributions from Authority	Contribution Excess	Covered Payroll	Contribution as a % of Payroll
2016	\$ 1,060,352	\$ 1,271,369	\$ 211,017	\$ 12,136,336	10.48%
2017	\$ 699,784	\$ 1,354,487	\$ 654,703	\$ 12,704,324	10.66%
2018	\$ 666,584	\$ 1,334,290	\$ 667,706	\$ 14,669,586	9.10%
2019	\$ 411,664	\$ 1,387,398	\$ 975,734	\$ 16,283,596	8.52%
2020	\$ 442,597	\$ 1,419,364	\$ 976,767	\$ 15,790,208	8.99%
2021	\$ 331,322	\$ 1,502,523	\$ 1,171,201	\$ 13,727,865	10.95%
2022	\$ 65,005	\$ 1,545,711	\$ 1,480,706	\$ 14,866,931	10.40%
2023	\$ 133,324	\$ 1,496,154	\$ 1,362,830	\$ 17,222,177	8.69%
2024	\$ 317,337	\$ 1,478,268	\$ 1,160,931	\$ 18,586,682	7.95%
2025	\$ 73,775	\$ 1,406,977	\$ 1,333,202	\$ 18,119,580	7.76%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are determined as of January 1, the beginning of the plan year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal percent of pay
Discount rate	4.75%
Investment rate of return	4.75%
Inflation	2.50%
Salary increases	Not applicable to this plan
Retirement age	The retirement assumption is based on a 2015 study, for experience from 2011 to 2014
Mortality	PUB-2010 General Healthy Retiree – Below Median Income Tables (sex distinct) projected, PUB-2010 General Contingent Survivor – Below Median Income Tables (sex distinct) projected, and PUB-2010 General Disabled Retiree Tables (sex distinct) projected

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF AUTHORITY CONTRIBUTIONS (HOURLY DB PLAN)
LAST TEN FISCAL YEARS ENDED SEPTEMBER 30**

For fiscal year 2025 and 2024, healthy mortality rates are based on the PUB-2010 General Healthy Retiree – Below Median Income Mortality Table (sex distinct), set forward two years, with scaling adjustment of 90% for males below 65, 96% for males at or above 65, and 96% at all ages for females. Beneficiaries' mortality rates are based on the PUB-2010 General Contingent Survivor – Below Median Income Mortality Table (sex distinct), with a two-year set forward adjustment. Disabled mortality rates are based on the PUB-2010 General Disabled Retiree Mortality Table (sex distinct), with a seven-year forward adjustment for males and a three-year forward adjustment for females.

Mortality rates are generationally projected using Scale MP-2020, with an adjustment of 66.67% beginning in 2019.

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY
AND RELATED RATIOS (RAILWAY PLAN)
LAST TEN FISCAL YEARS ENDED SEPTEMBER 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service cost	\$ 30,343	\$ 28,161	\$ 26,889	\$ 22,943	\$ 22,939	\$ 21,291	\$ 35,014	\$ 37,519	\$ 35,183	\$ 38,997
Interest cost	85,635	83,503	83,995	91,161	93,196	95,121	99,060	108,831	111,948	114,083
Differences between expected and actual experience	50,533	48,951	2,511	(93,489)	(15,939)	36,879	18,606	(38,525)	(18,152)	7,580
Changes in assumptions	-	-	-	138,550	-	40,371	(54,640)	(41,565)	50,585	(34,384)
Benefit payments	(114,352)	(121,369)	(128,584)	(133,600)	(144,209)	(154,803)	(157,017)	(153,693)	(156,147)	(159,907)
Net change in total pension liability	52,159	39,246	(15,189)	25,565	(44,013)	38,859	(58,977)	(87,433)	23,417	(33,631)
Total pension liability – beginning	1,829,021	1,789,775	1,804,964	1,779,399	1,823,412	1,784,553	1,843,530	1,930,963	1,907,546	1,941,177
Total pension liability – ending (A)	1,881,180	1,829,021	1,789,775	1,804,964	1,779,399	1,823,412	1,784,553	1,843,530	1,930,963	1,907,546
PENSION FIDUCIARY NET POSITION										
Contributions – employer	114,352	160,551	151,625	133,600	144,209	155,849	157,017	177,135	172,181	191,724
Net investment income (loss)	84,179	187,873	55,809	(164,311)	57,966	99,612	91,647	24,429	37,892	67,224
Benefit payments	(114,352)	(121,369)	(128,584)	(133,600)	(144,209)	(154,803)	(157,017)	(153,693)	(156,147)	(159,907)
Net change in pension fiduciary net position	84,179	227,055	78,850	(164,311)	57,966	100,658	91,647	47,871	53,926	99,041
Pension fiduciary net position – beginning	1,514,609	1,287,554	1,208,704	1,373,015	1,315,049	1,214,391	1,122,744	1,074,873	1,020,947	921,906
Pension fiduciary net position – ending (B)	1,598,788	1,514,609	1,287,554	1,208,704	1,373,015	1,315,049	1,214,391	1,122,744	1,074,873	1,020,947
NET PENSION LIABILITY (A) - (B)	\$ 282,392	\$ 314,412	\$ 502,221	\$ 596,260	\$ 406,384	\$ 508,363	\$ 570,162	\$ 720,786	\$ 856,090	\$ 886,599
FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	84.99%	82.81%	71.94%	66.97%	77.16%	72.12%	68.05%	60.90%	55.67%	53.52%
COVERED PAYROLL	\$ 10,186,741	\$ 9,102,487	\$ 8,649,349	\$ 8,449,683	\$ 8,059,913	\$ 7,659,706	\$ 7,787,550	\$ 7,363,599	\$ 7,331,607	\$ 7,293,665
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	2.77%	3.45%	5.81%	7.06%	5.04%	6.64%	7.32%	9.79%	11.68%	12.16%

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF AUTHORITY CONTRIBUTIONS (RAILWAY PLAN)
LAST TEN FISCAL YEARS ENDED SEPTEMBER 30**

Fiscal Year	Actuarially Determined Contribution	Contributions from Authority	Contribution (Deficiency)	Covered Payroll	Contribution as a % of Payroll
2016	\$ 195,597	\$ 191,724	\$ (3,873)	\$ 7,293,665	2.63%
2017	\$ 175,392	\$ 172,181	\$ (3,211)	\$ 7,331,607	2.35%
2018	\$ 178,770	\$ 177,135	\$ (1,635)	\$ 7,363,599	2.41%
2019	\$ 155,069	\$ 157,017	\$ 1,948	\$ 7,787,550	2.02%
2020	\$ 152,267	\$ 155,849	\$ 3,582	\$ 7,659,706	2.03%
2021	\$ 149,410	\$ 144,209	\$ (5,201)	\$ 8,059,913	1.79%
2022	\$ 144,505	\$ 133,600	\$ (10,905)	\$ 8,449,683	1.58%
2023	\$ 150,764	\$ 128,584	\$ (22,180)	\$ 8,649,349	1.49%
2024	\$ 166,892	\$ 121,369	\$ (45,523)	\$ 9,102,487	1.33%
2025	\$ 114,352	\$ 114,352	\$ -	\$ 10,186,741	1.12%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are determined as of January 1, the beginning of the plan year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal percent of pay
Discount rate	4.75%
Investment rate of return	4.75%
Inflation	2.50%
Salary increases	Not applicable to this plan
Retirement age	The retirement assumption is based on a 2015 study, for experience from 2011 to 2014
Mortality	PUB-2010 General Healthy Retiree – Below Median Income Tables (sex distinct) projected, PUB-2010 General Contingent Survivor – Below Median Income Tables (sex distinct) projected, and PUB-2010 General Disabled Retiree Tables (sex distinct) projected

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF AUTHORITY CONTRIBUTIONS (RAILWAY PLAN)
LAST TEN FISCAL YEARS ENDED SEPTEMBER 30**

For fiscal year 2025 and 2024, healthy mortality rates are based on the PUB-2010 General Healthy Retiree – Below Median Income Mortality Table (sex distinct), set forward two years, with scaling adjustment of 90% for males below 65, 96% for males at or above 65 and 96% at all ages for females. Beneficiaries' mortality rates are based on the PUB-2010 General Contingent Survivor – Below Median Income Mortality Table (sex distinct), with a two-year set forward adjustment. Disabled mortality rates are based on the PUB-2010 General Disabled Retiree Mortality Table (sex distinct), with a seven-year forward adjustment for males and a three-year forward adjustment for females.

Mortality rates are generationally projected using Scale MP-2020, with an adjustment of 66.67% beginning in 2019.

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ERS)
LAST TEN FISCAL YEARS ENDED SEPTEMBER 30**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension liability	0.64%	0.66%	0.65%	0.64%	0.68%	0.68%	0.69%	0.71%	0.73%	0.77%
Authority's proportionate share of the net pension liability	\$ 22,119,503	\$ 26,329,813	\$ 25,460,373	\$ 17,928,689	\$ 21,045,530	\$ 19,591,321	\$ 18,123,158	\$ 18,559,817	\$ 21,030,957	\$ 20,951,325
Authority's covered payroll	\$ 11,490,463	\$ 10,894,502	\$ 9,973,735	\$ 9,775,621	\$ 10,234,664	\$ 9,814,156	\$ 9,340,048	\$ 9,288,753	\$ 9,732,434	\$ 10,139,151
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	192.50%	241.68%	255.27%	183.40%	205.63%	199.62%	194.04%	199.81%	216.09%	206.64%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	56.00%	54.68%	67.37%	61.62%	63.38%	66.20%	65.44%	62.07%	62.35%

Amounts and percentages related to the net pension liability for the fiscal year ended September 30 are based on the plan measurement date of the previous fiscal year ended September 30.

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required Authority contribution	\$ 2,178,142	\$ 1,823,867	\$ 1,596,200	\$ 1,465,596	\$ 1,420,151	\$ 1,550,045	\$ 1,416,656	\$ 1,293,396	\$ 1,300,676	\$ 1,413,503
Authority's contributions in relation to the contractually required contribution	2,178,142	1,823,867	1,596,200	1,465,596	1,420,151	1,550,045	1,416,656	1,293,396	1,300,676	1,413,503
Authority's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 13,519,798	\$ 11,490,463	\$ 10,894,502	\$ 9,973,735	\$ 9,775,621	\$ 10,234,664	\$ 9,814,156	\$ 9,340,048	\$ 9,288,753	\$ 9,732,434
Authority's contributions as a percentage of covered payroll	16.11%	15.87%	14.65%	14.69%	14.53%	15.15%	14.43%	13.85%	14.00%	14.52%

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
LAST EIGHT FISCAL YEARS ENDED SEPTEMBER 30**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's proportion of the net OPEB liability	1.74%	1.76%	1.60%	1.55%	1.37%	1.70%	1.63%	1.29%	1.34%
Authority's proportionate share of the net OPEB liability	\$33,953,081	\$16,484,640	\$15,665,083	\$13,243,637	\$13,623,335	\$29,406,243	\$47,368,513	\$40,958,024	\$45,831,470
Authority's covered employee payroll	\$34,709,365	\$32,524,811	\$29,188,104	\$25,562,524	\$28,139,898	\$28,234,775	\$25,876,155	\$23,396,794	\$23,396,794
Authority's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	97.82%	50.68%	53.67%	51.81%	48.41%	104.15%	183.06%	175.06%	195.89%
Plan fiduciary net position as a percentage of the total OPEB liability	13.52%	20.64%	17.75%	22.56%	17.16%	9.94%	5.96%	5.05%	4.20%

Amounts and percentages related to the net OPEB liability for the fiscal year ended September 30 are based on the plan measurement date of the previous fiscal year ended September 30.

Information is intended to present ten years of information. Information is presented for those years in which information is available and additional years' information will be presented as it becomes available.

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
LAST SEVEN FISCAL YEARS ENDED SEPTEMBER 30**

Changes in Actuarial Assumptions and Other Inputs

In 2023, the following assumptions were adjusted to reflect actual and anticipated experience more closely:

- Assumed rates of medical and dental plan participation for future retirees with less than 15 years of service, current retirees waiving coverage and current eligible deferred vested members were adjusted in order to reflect recent experience and the impact of the sliding scale legislation.
- Assumed rates of coverage for spouses of female retirees were increased from 25% to 30%.
- Assumed rates of Medicare eligible participants subject to the Spousal Surcharge were decreased from 10% to 0%.

In 2022, rates 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. In 2021, economic assumptions and the assumed rates of salary increases were adjusted to reflect actual and anticipated experience more closely.

In 2019, assumed rates of tobacco use, spouse participation and the payment of the spousal surcharge 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 2.00% 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 2.00% for each year that the member is less than age 62 at retirement (age 56 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.

**ALABAMA STATE PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF AUTHORITY CONTRIBUTIONS (OPEB)
LAST NINE FISCAL YEARS ENDED SEPTEMBER 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required Authority contribution	\$ 702,684	\$ 982,716	\$ 922,954	\$ 885,705	\$ 917,111	\$ 747,379	\$ 1,265,923	\$ 1,314,110	\$ 1,201,451
Authority's contributions in relation to the contractually required contribution	702,684	982,716	922,954	885,705	917,111	747,379	1,265,923	1,314,110	1,201,451
Authority's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered employee payroll	\$ 36,014,330	\$ 34,709,365	\$ 32,524,811	\$ 29,188,104	\$ 25,562,524	\$ 28,139,898	\$ 28,234,775	\$ 25,876,155	\$ 23,679,611
Authority's contributions as a percentage of covered employee payroll	1.95%	2.83%	2.84%	3.03%	3.59%	2.66%	4.48%	5.08%	5.07%

Information is intended to present ten years of information. Information is presented for those years in which information is available and additional years' information will be presented as it becomes available.

**ALABAMA STATE PORT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 SCHEDULE OF AUTHORITY CONTRIBUTIONS (OPEB)
 LAST NINE FISCAL YEARS ENDED SEPTEMBER 30**

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates, as determined by the plan, 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 contractually required contribution rate reported in the above 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	2.50%
Healthcare cost trend rate	
Pre-Medicare eligible	7.00%
Medicare eligible	*
Ultimate trend rate	
Pre-Medicare eligible	4.50% in 2033
Medicare eligible	4.50% in 2033
Dental trend rate	4.50%
Investment rate of return	7.25%, including inflation

* *Initial Medicare claims are based on scheduled increase through plan year 2024.*



STATISTICAL SECTION



ANNUAL COMPREHENSIVE FINANCIAL REPORT

TABLE OF CONTENTS

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 & 2024

STATISTICAL SECTION (UNAUDITED)

This portion of the Alabama Port Authority’s Annual Comprehensive Financial Report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Port’s overall financial health.

Financial Trend Information

Exhibit 1 – Statements of Net Position for the Last Ten Fiscal Years Ended September 30	97
Exhibit 2 – Statements of Revenues, Expenses, and Changes in Net Position for the Last Ten Fiscal Years Ended September 30	99
Exhibit 3 – Chart of Operating Revenues by Division for the Last Three Fiscal Years Ended September 30	101
Exhibit 4 – Chart of Operating Expenses by Division for the Last Three Fiscal Years Ended September 30	102

Revenue Capacity Information

Exhibit 5 – Operating Revenue by Principal Source for the Last Ten Fiscal Years Ended September 30	103
Exhibit 6 – Principal Customers per Largest Revenue Sources for the Fiscal Years Ended September 30, 2025 and 2016	104
Exhibit 7 – Top Revenue Rates for the Last Ten Fiscal Years Ended September 30	105

Debt Capacity Information

Exhibit 8 – Outstanding Revenue Bonds for the Last Ten Fiscal Years Ended September 30	106
Exhibit 9 – Annual Debt Service Requirements of Revenue Bonds for the Last Ten Fiscal Years Ended September 30	107
Exhibit 10 – Long-Term Revenue Bond Coverage for the Last Ten Fiscal Years Ended September 30	108
Exhibit 11 – Chart of Revenue Bond Coverage for the Last Ten Fiscal Years Ended September 30	109

Demographic and Economic Information

Exhibit 12 – Demographic and Economic Statistics for a Period of Ten Years for the State of Alabama and Mobile MSA	110
Exhibit 13 – Principal Employers in the Mobile Area for Years 2025 and 2016	111

Operating Information

Exhibit 14 – Employees by Organization and Type for the Last Ten Fiscal Years Ended September 30	112
Exhibit 15 – Freight Traffic Statistics for the Last Ten Years Ended December 31	114
Exhibit 16 – Detail of Port Freight Traffic Statistics for the Last Ten Years Ended December 31	115
Exhibit 17 – Ratios of Capital Assets for the Last Ten Fiscal Years Ended September 30	117
Exhibit 18 – Capital Assets Statistics as of September 30, 2025	118

STATISTICAL SECTION (UNAUDITED)

Miscellaneous Statistical Information

Exhibit 19 – Alabama’s Total Value of Trade by Region for the Last Ten Years Ended December 31	119
Exhibit 20 – Chart of Alabama’s Total Value of Trade by Region for the Last Ten Years Ended December 31	121

ALABAMA PORT AUTHORITY
STATEMENTS OF NET POSITION
For the Last Ten Fiscal Years Ended September 30

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u> ⁽¹⁾
Net Position at year-end ⁽¹⁾				
Net investment in capital assets	\$ 495,379,978	\$ 405,612,216	\$ 385,581,202	\$ 343,718,265
Restricted expendable				
Debt service	25,525,007	19,855,450	24,771,703	27,059,875
Capital projects	---	---	---	---
Pension Asset	3,847,377	2,086,813	---	---
Unrestricted	42,990,839	20,028,221	1,105,391	19,926,981
Total Net Position	<u>\$ 567,743,201</u>	<u>\$ 447,582,700</u>	<u>\$ 411,458,296</u>	<u>\$ 390,705,121</u>

(1) As revised. See Note 1 to the audited financial statements. The Authority adopted GASB Statement 96 during fiscal year 2023 resulting in an adjustment to net position for fiscal year 2022 only. The Authority adopted GASB Statement 87 during fiscal year 2022 resulting in an adjustment to net position for fiscal year 2021 only. The Authority adopted GASB Statement 75 during fiscal year 2018 resulting in an adjustment to net position for fiscal year 2017 only.

Source: APA audited financial statements

ALABAMA PORT AUTHORITY
STATEMENTS OF NET POSITION (cont.)
For the Last Ten Fiscal Years Ended September 30

<u>2021</u> ⁽¹⁾	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u> ⁽¹⁾	<u>2016</u>
\$ 319,951,453	\$ 295,756,279	\$ 281,598,996	\$ 286,652,137	\$ 295,047,595	\$ 284,233,550
31,198,328	29,165,784	35,981,425	35,071,717	32,701,462	61,780,843
682,096	681,924	---	---	---	---
---	---	---	---	---	---
24,607,598	12,284,091	(4,345,581)	(16,939,107)	(27,637,893)	(2,430,690)
<u>\$ 376,439,475</u>	<u>\$ 337,888,078</u>	<u>\$ 313,234,840</u>	<u>\$ 304,784,747</u>	<u>\$ 300,111,164</u>	<u>\$ 343,583,703</u>

ALABAMA PORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Last Ten Fiscal Years Ended September 30

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u> ⁽¹⁾
Operating Revenues:				
McDuffie Coal Terminal	\$ 94,269,079	\$ 87,165,315	\$ 86,197,647	\$ 69,919,373
General Cargo / Intermodal	45,130,924	46,098,733	40,069,149	39,288,129
Bulk Handling and Warehouses	---	---	---	---
Terminal Railway	29,578,851	31,607,244	26,854,462	25,272,756
Real Estate	20,023,817	20,344,671	20,861,091	18,531,517
Marine Liquid Bulk Terminal	4,902,710	4,742,597	4,346,539	4,265,861
Other	14,764,175	6,675,638	6,582,895	7,235,524
Total Operating Revenues	<u>208,669,556</u>	<u>196,634,198</u>	<u>184,911,783</u>	<u>164,513,160</u>
Operating Expenses:				
Operation and maintenance of facilities	100,083,805	103,614,944	105,107,785	89,416,660
Depreciation and amortization	38,057,197	38,102,597	40,412,873	35,717,419
General and administrative	30,221,285	24,982,706	20,921,651	17,501,817
Impairment loss on capital assets	---	---	---	---
Total Operating Expenses	<u>168,362,287</u>	<u>166,700,247</u>	<u>166,442,309</u>	<u>142,635,896</u>
Operating Income	<u>40,307,269</u>	<u>29,933,951</u>	<u>18,469,474</u>	<u>21,877,264</u>
Nonoperating Income (expense):				
Investment income	4,068,129	4,041,233	1,728,399	171,171
Change in fair value of interest rate swap	---	---	---	251,940
Interest expense	(11,836,287)	(11,740,654)	(12,209,891)	(13,216,074)
Interest rate swap expense	---	---	---	368
Non-capital port development contributions	10,723,917	37,203,619	17,350,000	15,550,000
Non-capital port development expense	(10,723,917)	(35,400,000)	(17,350,000)	(15,550,000)
Gain (loss) on disposal of capital assets	(120,449)	(506,222)	516,050	(2,936,592)
Insurance recoveries	2,890,778	---	4,407,570	603,722
Other, net	734,747	(545,442)	351,916	722,309
Net Nonoperating Expenses	<u>(4,263,082)</u>	<u>(6,947,466)</u>	<u>(5,205,956)</u>	<u>(14,403,156)</u>
Income before capital grants and contributions	36,044,187	22,986,485	13,263,518	7,474,108
Capital grants and contributions	84,116,314	13,137,919	7,489,657	7,161,617
Increase / (Decrease) in net position	<u>120,160,501</u>	<u>36,124,404</u>	<u>20,753,175</u>	<u>14,635,725</u>
Net position				
Beginning of year	447,582,700	411,458,296	390,705,121	376,439,475
Asset adjustment	---	---	---	---
Cumulative effect of: new GASB pronouncements ⁽¹⁾	---	---	---	(370,079)
End of Year	<u>\$ 567,743,201</u>	<u>\$ 447,582,700</u>	<u>\$ 411,458,296</u>	<u>\$ 390,705,121</u>

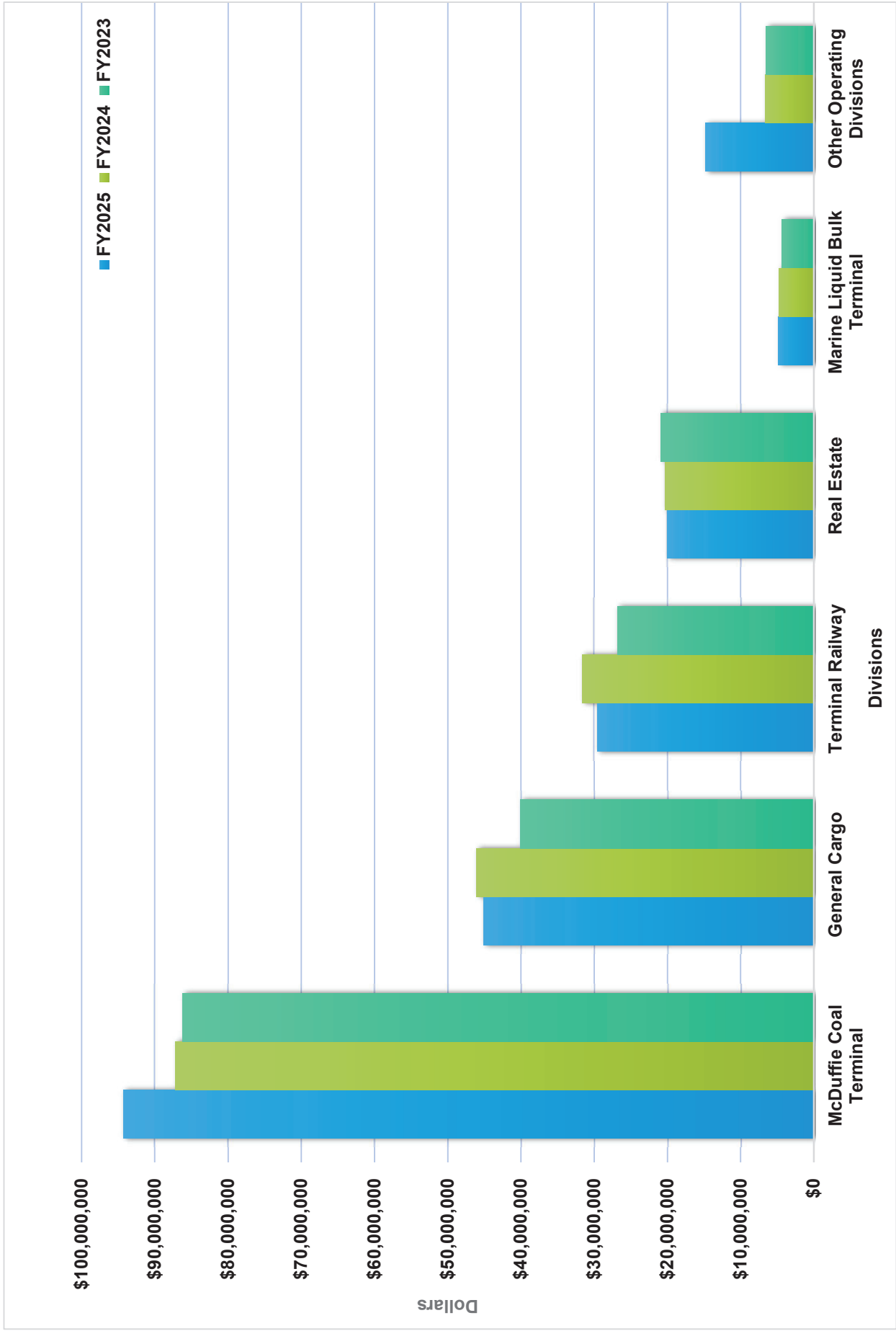
(1) As revised. See Note 1 to the audited financial statements. The implementation of GASB Statements No. 68, 71, 75, 87, and 96 resulted in adjustments to net position.

Source: APA audited financial statements

ALABAMA PORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (cont.)
For the Last Ten Fiscal Years Ended September 30

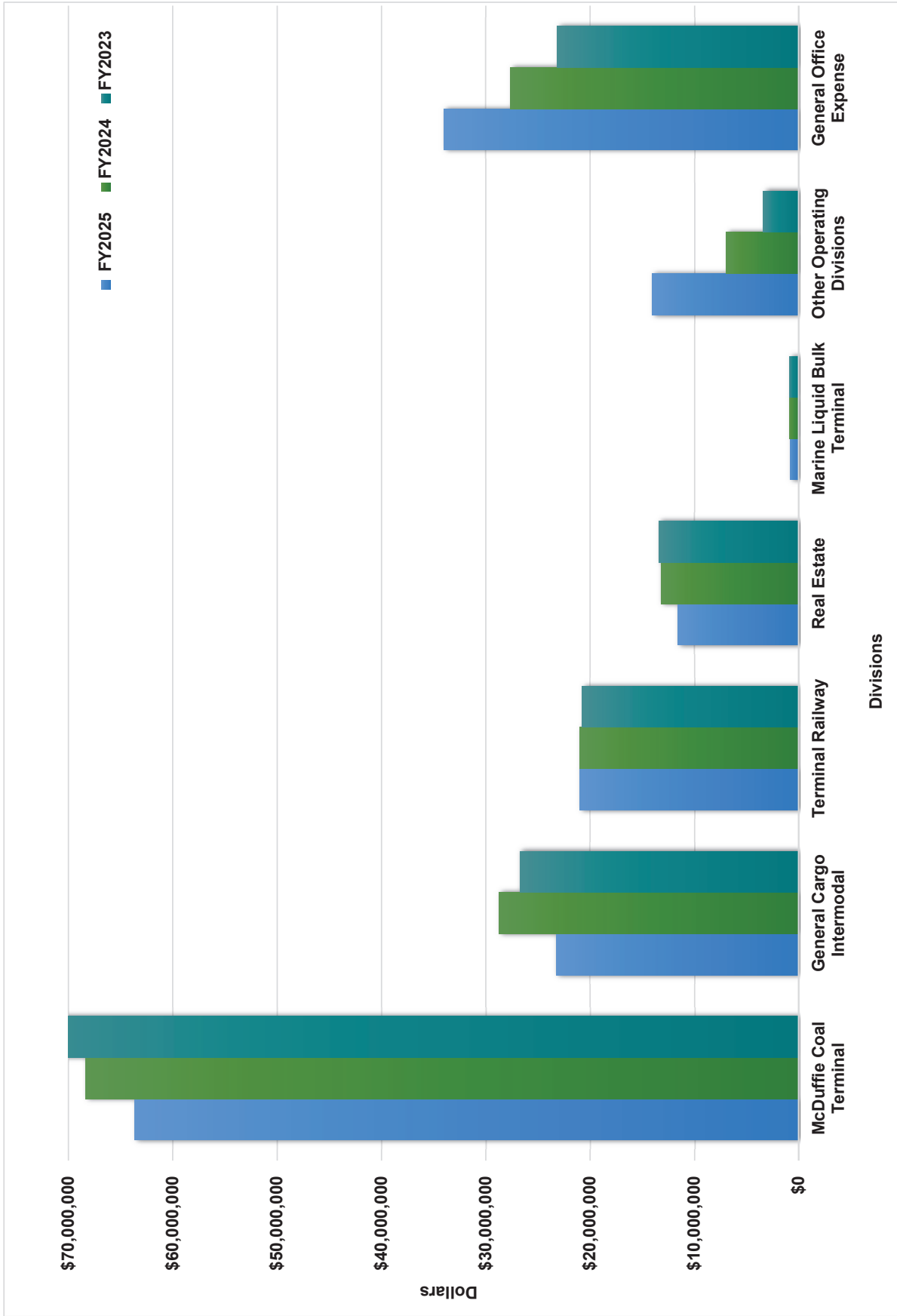
<u>2021</u> ⁽¹⁾	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u> ⁽¹⁾	<u>2016</u>
\$ 65,486,584	\$ 62,937,763	\$ 75,109,290	\$ 61,262,253	\$ 55,891,205	\$ 48,937,665
38,275,968	35,245,780	40,785,389	36,459,347	35,385,911	36,361,920
---	---	---	---	---	278,561
22,514,468	22,269,758	22,424,632	18,855,553	16,384,951	19,267,877
15,543,240	10,655,648	10,988,312	9,488,314	9,326,460	8,153,523
3,761,245	3,368,812	3,585,615	3,482,034	3,391,421	3,464,329
6,074,366	5,344,408	5,556,243	5,388,475	5,492,352	5,701,377
<u>151,655,871</u>	<u>139,822,169</u>	<u>158,449,481</u>	<u>134,935,976</u>	<u>125,872,300</u>	<u>122,165,252</u>
70,212,798	79,276,076	84,985,433	69,465,399	60,013,878	59,096,173
36,462,796	32,931,355	31,674,429	32,612,978	32,591,079	32,659,787
15,001,932	17,284,309	17,185,185	16,337,276	16,973,397	17,382,779
---	1,418,907	---	---	---	---
<u>121,677,526</u>	<u>130,910,647</u>	<u>133,845,047</u>	<u>118,415,653</u>	<u>109,578,354</u>	<u>109,138,739</u>
29,978,345	8,911,522	24,604,434	16,520,323	16,293,946	13,026,513
52,402	543,848	1,951,691	1,050,225	2,271,441	844,119
171,445	590,117	541,000	1,566,487	2,121,935	1,711,454
(13,957,137)	(14,504,951)	(15,001,065)	(14,710,494)	(16,836,087)	(16,732,470)
(423,113)	(738,460)	(864,081)	(1,246,845)	(1,723,864)	(2,166,347)
16,500,000	6,600,000	---	---	---	---
(16,500,000)	(6,600,000)	---	---	---	---
693,370	6,530,936	(3,839,182)	---	---	---
1,393,625	---	---	---	---	---
(1,558,595)	(582,210)	1,057,296	1,493,887	(969,891)	(5,793,896)
<u>(13,628,003)</u>	<u>(8,160,720)</u>	<u>(16,154,341)</u>	<u>(11,846,740)</u>	<u>(15,136,466)</u>	<u>(22,137,140)</u>
16,350,342	750,802	8,450,093	4,673,583	1,157,480	(9,110,627)
17,925,757	23,902,436	---	---	---	5,419,061
<u>34,276,099</u>	<u>24,653,238</u>	<u>8,450,093</u>	<u>4,673,583</u>	<u>1,157,480</u>	<u>(3,691,566)</u>
337,888,078	313,234,840	304,784,747	300,111,164	343,583,703	347,275,269
---	---	---	---	---	---
4,275,298	---	---	---	(44,630,019)	---
<u>\$ 376,439,475</u>	<u>\$ 337,888,078</u>	<u>\$ 313,234,840</u>	<u>\$ 304,784,747</u>	<u>\$ 300,111,164</u>	<u>\$ 343,583,703</u>

ALABAMA PORT AUTHORITY
 CHART OF OPERATING REVENUES BY DIVISION
 For the Last Three Fiscal Years Ended September 30



Source: APA records and audited financial statements

ALABAMA PORT AUTHORITY
 CHART OF OPERATING EXPENSES BY DIVISION
 For the Last Three Fiscal Years Ended September 30



Source: APA records and audited financial statements

**ALABAMA PORT AUTHORITY
OPERATING REVENUE BY PRINCIPAL SOURCE
For the Last Ten Fiscal Years Ended September 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenues (USD \$):										
Special Processing Charges	34,123,255	30,892,355	31,375,465	22,874,630	20,453,746	18,702,674	22,058,007	17,377,804	14,527,983	11,079,954
Dockage	24,782,302	23,800,972	25,941,549	23,967,870	22,208,741	17,059,937	20,797,624	17,548,633	18,162,484	20,702,536
Tippling	21,947,599	20,561,094	19,037,249	16,677,207	18,809,965	20,490,061	27,720,978	24,160,175	20,598,332	17,504,990
Railcar Switching	21,233,850	21,910,352	18,882,460	17,993,105	15,903,446	16,205,855	15,939,427	13,686,144	12,666,330	13,706,012
Wharfage	20,704,747	20,618,741	19,606,984	19,606,848	18,569,371	16,705,587	18,308,138	17,520,640	16,339,092	14,988,869
Receiving and Handling	15,418,165	15,378,910	14,579,890	13,444,728	14,660,397	13,877,443	15,864,677	15,243,367	16,086,218	15,102,508
Storage	10,537,097	8,673,983	8,690,453	7,356,056	4,185,361	5,969,147	4,356,083	3,387,916	3,204,740	3,581,781
Rent of Land/Buildings ⁽¹⁾	9,779,326	14,340,445	12,813,874	12,085,749	12,159,971	6,099,818	6,340,419	5,579,202	5,139,157	4,933,777
Port Energy Funds	6,299,864	4,502,647	2,436,835	4,950,000	4,950,000	5,937,065	6,644,129	2,787,252	1,263,553	-
Security Assessment	4,993,595	4,712,898	4,738,523	4,440,658	4,133,999	3,660,152	4,356,502	3,857,980	3,645,412	3,328,735

(1) The implementation of GASB Statement No. 87 during fiscal year 2022 resulted in an adjustment to rent of land and buildings for fiscal year 2021 only.

Source: APA records

**ALABAMA PORT AUTHORITY
PRINCIPAL CUSTOMERS PER LARGEST REVENUE SOURCES
For the Fiscal Years Ended September 30, 2025 and 2016**

Special Processing Revenue

Income earned from the movement of commodities within the Port before movement to another vessel or barge.

2025
<u>Customers</u>
Warrior Met Coal Sales, LLC
Javelin Global Commodities (UK) Ltd
Peabody Coal Sales, LLC
XCoal Energy & Resources
ArcelorMittal

2016
<u>Customers</u>
Drummond Coal Sales Inc.
Seneca Coal Resources LLC
Warrior Met Coal Sales, LLC
Jim Walter Resources
J. Aron & Company LLC

Dockage

Income earned from charges assessed against a vessel for berthing at a wharf, pier, bulkhead structure, bank or for mooring to a vessel so berthed.

2025
<u>Customers</u>
Host Agency, LLC
Seacliff Agency, LLC
Blue Water Shipping Co.
Riverside Shipping, LLC
Page & Jones, Inc.

2016
<u>Customers</u>
Seacliff Agency, LLC
Blue Water Shipping Co.
Fillette, Green Shipping Services
Page & Jones, Inc.
Host Agency, LLC

Tippling

Income earned from charges for unloading or emptying coal from railcars.

2025
<u>Customers</u>
Warrior Met Coal Sales, LLC
Javelin Global Commodities (UK) Ltd
Peabody Coal Sales, LLC

2016
<u>Customers</u>
Drummond Coal Sales Inc.
Jim Walter Resources
Warrior Met Coal Sales, LLC
Southern Company Services (GP)
Javelin Global Commodities (UK) Ltd

Note: Because many of the above customers use the Authority's facilities based upon a signed contract, disclosing the dollar amount paid by the above customers or disclosing a percentage of the total revenue base by customer could disclose privileged information.

Source: APA records

**ALABAMA PORT AUTHORITY
TOP REVENUE RATES
For the Last Ten Fiscal Years Ended September 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
DOCKAGE:										
Bulk Facility (per GRT per 24 hours)	\$0.52	\$0.50	\$0.48	\$0.48	\$0.46	\$0.44	\$0.42	\$0.41	\$0.40	\$0.40
General Cargo Vessels										
0 - 199.9Ft (per foot per 24 hours)	\$3.73	\$3.62	\$3.41	\$3.41	\$3.28	\$3.12	\$3.03	\$2.94	\$2.77	\$2.77
200 - 399.9Ft (per foot per 24 hours)	\$4.89	\$4.75	\$4.48	\$4.48	\$4.31	\$4.10	\$3.98	\$3.86	\$3.64	\$3.64
400 - 499.9Ft (per foot per 24 hours)	\$6.65	\$6.46	\$6.09	\$6.09	\$5.86	\$5.58	\$5.41	\$5.26	\$4.95	\$4.95
500 - 599.9Ft (per foot per 24 hours)	\$8.93	\$8.67	\$8.18	\$8.18	\$7.86	\$7.49	\$7.27	\$7.06	\$6.65	\$6.65
600 - 699.9Ft (per foot per 24 hours)	\$10.37	\$10.07	\$9.50	\$9.50	\$9.12	\$8.69	\$8.44	\$8.19	\$7.72	\$7.72
700 - 799.9Ft (per foot per 24 hours)	\$13.15	\$12.77	\$12.05	\$12.05	\$11.58	\$11.03	\$10.71	\$10.40	\$9.80	\$9.80
800 - 899.9Ft (per foot per 24 hours)	\$15.85	\$15.39	\$14.52	\$14.52	\$13.95	\$13.29	\$12.90	\$12.53	\$11.81	\$11.81
900Ft - Above (per foot per 24 hours)	\$18.96	\$18.41	\$17.37	\$17.37	\$16.68	\$15.89	\$15.43	\$14.98	\$14.12	\$14.12
TIPLING:										
Coal (per short ton)	\$1.68	\$1.69	\$1.52	\$1.52	\$1.63	\$1.59	\$1.69	\$1.76	\$1.70	\$1.78
Coal Special Processing (per short ton)	\$2.65	\$2.55	\$2.47	\$2.06	\$1.68	\$1.47	\$1.40	\$1.26	\$1.22	\$1.05
WHARFAGE:										
Bulk Facility (per short ton)	\$0.23	\$0.25	\$0.25	\$0.25	\$0.26	\$0.26	\$0.27	\$0.28	\$0.26	\$0.26
General Cargo										
Aluminum (per short ton)	\$2.89	\$2.81	\$2.65	\$2.65	\$2.52	\$2.40	\$2.40	\$2.33	\$2.20	\$2.20
Containers (per short ton)	\$4.10	\$3.98	\$3.75	\$3.74	\$3.57	\$3.40	\$3.40	\$3.30	\$3.20	\$3.20
Demurrage (per short ton)	\$0.28	\$0.27	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
Forest Products (per short ton per day)	\$3.98	\$3.86	\$3.64	\$3.64	\$3.47	\$3.30	\$3.30	\$3.20	\$3.11	\$3.11
Lumber (per board foot)	\$0.48	\$0.47	\$0.44	\$0.44	\$0.42	\$0.40	\$0.40	\$0.39	\$0.38	\$0.38
Paper (per short ton)	\$4.10	\$3.98	\$3.75	\$3.75	\$3.57	\$3.30	\$3.30	\$3.20	\$3.11	\$3.11
Steel (per short ton)	\$4.19	\$4.07	\$3.84	\$3.84	\$3.66	\$3.49	\$3.40	\$3.30	\$5.06	\$3.20
RAILROAD SWITCHING:										
Coal (per car)	\$76.28	\$72.56	\$63.54	\$71.17	\$60.75	\$63.09	\$63.33	\$54.52	\$50.59	\$66.04
General (per car)	\$422.25	\$397.98	\$368.13	\$350.94	\$340.92	\$334.80	\$330.41	\$310.02	\$276.19	\$314.67
Grain (per car)	\$139.62	\$134.11	\$124.17	\$120.26	\$107.35	\$107.19	\$107.19	\$107.19	\$104.07	\$104.07

GRT = gross registered tons
Source: APA records, central billing, bulk facilities, harbormaster, and railroad departments

**ALABAMA PORT AUTHORITY
OUTSTANDING REVENUE BONDS
For the Last Ten Fiscal Years Ended September 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Docks Facilities Revenue Refunding Bonds										
Series 2017A	\$107,665,000	\$115,005,000	\$121,995,000	\$121,995,000	\$121,995,000	\$121,995,000	\$121,995,000	\$121,995,000	\$123,770,000	---
Series 2017B	---	---	---	---	---	\$4,280,000	\$8,305,000	\$12,100,000	\$12,100,000	---
Series 2017C	\$6,130,000	\$6,130,000	\$6,130,000	\$6,130,000	\$6,130,000	\$6,130,000	\$6,130,000	\$6,130,000	\$6,130,000	---
Series 2017D	\$107,830,000	\$110,055,000	\$112,205,000	\$124,030,000	\$128,975,000	\$130,095,000	\$131,190,000	\$132,270,000	\$132,990,000	---
Series 2008A	---	---	---	---	\$8,040,000	\$15,700,000	\$23,005,000	\$29,955,000	\$36,575,000	\$42,880,000
Docks Facilities Revenue Bonds										
Series 2024+1	\$14,257,000	---	---	---	---	---	---	---	---	---
Series 2020	\$38,954,813	\$41,019,388	\$43,045,798	\$45,034,229	\$46,986,000	\$46,986,000	---	---	---	---
Series 2018	---	---	---	---	---	---	\$50,000,000	\$50,000,000	---	---
Series 2010	---	---	---	---	---	---	---	---	---	---
Series 2006A	---	---	---	---	---	---	---	---	---	\$106,045,000
Series 2006B	---	---	---	---	---	---	---	---	---	\$131,355,000
Series 2006D	---	---	---	---	---	---	---	---	---	\$21,600,000
Lease Liabilities										
	\$81,332	\$49,947	\$78,431	\$141,195	\$376,819	---	---	---	---	---
Subscription Liabilities										
	\$1,143,283	\$734,414	\$1,756,869	\$2,641,487	---	---	---	---	---	---
Subtotal										
	\$276,061,428	\$272,993,749	\$285,211,098	\$299,971,911	\$312,502,819	\$325,186,000	\$340,625,000	\$352,450,000	\$311,565,000	\$344,075,000
Plus: Unamortized Premium, Net										
	\$8,338,999	\$9,169,304	\$9,999,610	\$10,829,916	\$11,660,222	\$12,490,527	\$13,604,640	\$14,718,753	\$15,835,923	\$535,153
Total Outstanding Debt										
	\$284,400,427	\$282,163,053	\$295,210,708	\$310,801,827	\$324,163,041	\$337,676,527	\$354,229,640	\$367,168,753	\$327,400,923	\$344,610,153
Less: Current Portion										
	(\$12,808,931)	(\$11,629,575)	(\$11,166,410)	(\$13,813,431)	(\$14,936,771)	(\$13,060,000)	(\$12,425,000)	(\$11,825,000)	(\$9,115,000)	(\$10,295,000)
Long-Term Debt, Net										
	\$271,591,496	\$270,533,478	\$284,044,298	\$296,988,396	\$309,226,270	\$324,616,527	\$341,804,640	\$355,343,753	\$318,285,923	\$334,315,153
Outstanding Debt Per Capita										
	\$55	\$55	\$58	\$61	\$64	\$69	\$72	\$75	\$67	\$71
Percent of Personal Income										
	*	0.10%	0.11%	0.12%	0.13%	0.15%	0.16%	0.18%	0.17%	0.18%

* 2025 Personal Income not available

Note: Lease liabilities are recorded for fiscal years 2025 - 2021. GASB 87 was implemented as of September 30, 2022 and retroacted for fiscal year 2021. The Alabama Port Authority did not retroact any prior financial statements prior to 2021. See Exhibit 12, Demographic and Economic Statistics, for personal income and population data for State of Alabama. See Exhibit 9 for debt service requirements of long-term revenue bonds and notes to the audited financial statements for further details of the APA's outstanding revenue bonds.

Source: APA records and audited financial statements

ALABAMA PORT AUTHORITY
ANNUAL DEBT SERVICE REQUIREMENTS OF REVENUE BONDS
For the Last Ten Fiscal Years Ended September 30

Fiscal Year	Coal Severance Tax Revenue*	Oil & Gas Production Tax Revenue*	(A) Operating Revenues and Investment Income (cash basis)	(B) Docks Facilities Revenues	(C) Operating Expenses*	(D) Annual Debt Service Requirement	Minimum Requirement		
							150% (A) / (D)	125% [(B) - (C)] / (D)	Minimum Requirement 100% (A) / [(C) + (D)]
2025	\$1,844,274	\$9,500,000	\$212,751,852	\$224,096,126	\$130,305,090	\$23,651,535	900%	397%	138%
2024	\$1,672,694	\$9,500,000	\$200,676,664	\$211,849,358	\$128,597,650	\$23,199,966	865%	359%	132%
2023	\$1,469,080	\$9,500,000	\$186,593,115	\$197,562,195	\$126,029,436	\$26,257,407	711%	272%	123%
2022	\$1,252,757	\$9,500,000	\$164,633,068	\$175,385,825	\$106,918,477	\$27,662,636	595%	248%	122%
2021	\$1,361,788	\$9,500,000	\$151,708,132	\$162,569,920	\$85,214,730	\$25,996,131	584%	298%	136%
2020	\$1,511,568	\$9,500,000	\$140,421,442	\$151,433,010	\$97,979,292	\$26,083,229	538%	205%	113%
2019	\$1,930,399	\$9,500,000	\$160,396,825	\$171,827,224	\$102,170,618	\$26,117,517	614%	267%	125%
2018	\$1,728,228	\$9,500,000	\$135,958,029	\$147,186,257	\$85,802,675	\$23,617,459	576%	260%	124%
2017	\$1,621,863	\$9,500,000	\$128,498,518	\$139,620,381	\$76,987,275	\$27,105,818	474%	231%	123%
2016	\$1,269,110	\$9,500,000	\$123,008,475	\$133,777,585	\$76,478,952	\$25,909,370	475%	221%	120%

*Coal Severance and Oil & Gas Production Tax revenues are available to APA if needed. Operating Expenses exclude depreciation and amortization as defined by the Bond Order.

Note: On November 21, 2006, a Master Bond Order was adopted which provided for the issuance of the Alabama Port Authority's Docks Facilities Revenue Bonds. Docks Facilities Revenue Bonds, Series 2006A, 2006B, and 2006C were issued on November 21, 2006 and refunded the Docks Facilities Revenue Bonds Series 1996, Series 1997, Series 1998, and Series 2001. The 2006 bonds and those issued subsequently were issued pursuant to the right retained in the Master Bond Order adopted on November 21, 2006. See the notes to the audited financial statements for further details of the APA's outstanding revenue bonds. As a result of the requirements of the 2006 Master Bond Order, Docks Facilities Revenues (B) is the combination of operating revenue, coal severance tax revenue, oil & gas production revenue, and investment income (cash basis).

Source: APA records, contracts, and audited financial statements

ALABAMA PORT AUTHORITY
LONG-TERM REVENUE BOND COVERAGE
For the Last Ten Fiscal Years Ended September 30

Fiscal Year	Gross Revenues*	Operating Expenses*	Net Revenue Available for Debt Service	Debt Service Requirements**	Times Coverage^
2025	\$213,472,432	\$130,305,090	\$83,167,342	\$23,651,535	3.52
2024	\$200,129,989	\$128,597,650	\$71,532,339	\$23,199,966	3.08
2023	\$186,992,098	\$126,029,436	\$60,962,662	\$26,257,407	2.32
2022	\$165,406,640	\$106,918,477	\$58,488,163	\$27,662,636	2.11
2021	\$154,409,294	\$84,963,641	\$69,445,653	\$25,996,131	2.67
2020	\$139,783,807	\$97,979,292	\$41,804,515	\$26,083,229	1.60
2019	\$161,458,468	\$102,170,618	\$59,287,850	\$26,117,517	2.27
2018	\$136,300,647	\$85,802,675	\$50,497,972	\$23,617,459	2.14
2017	\$126,975,727	\$76,987,275	\$49,988,452	\$27,105,818	1.84
2016	\$123,468,529	\$76,478,952	\$46,989,577	\$25,909,370	1.81

* Gross revenues include operating revenues, investment income, and other income/(expense), net. Operating expenses exclude depreciation and amortization expense.

** See Exhibit 9 for debt service requirements of long-term revenue bonds and notes to the audited financial statements for details of the APA's outstanding revenue bonds.

^ Ratio of Net Revenue Available for Debt Service to Debt Service Requirements indicates the number of times net revenue of a given fiscal year can cover the debt payments.

Source: APA records and audited financial statements

ALABAMA PORT AUTHORITY
LONG-TERM REVENUE BOND COVERAGE
For the Last Ten Fiscal Years Ended September 30



Source: APA records and audited financial statements

ALABAMA PORT AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
For a Period of Ten Years

STATE OF ALABAMA

Year	Population	Personal Income (millions of dollars)	Per Capita		Unemployment Rate
			Personal Income (PCPI)	Median Age	
2025	5,193,088	*	*	*	2.7
2024	5,157,699	\$295,591	\$57,311	40	3.1
2023	5,108,468	\$279,485	\$54,612	40	2.5
2022	5,074,296	\$262,426	\$51,697	40	2.5
2021	5,039,877	\$255,682	\$50,368	40	3.3
2020	4,893,186	\$230,878	\$45,872	39	6.4
2019	4,903,185	\$215,152	\$42,998	39	3.2
2018	4,887,871	\$205,674	\$41,324	39	3.9
2017	4,874,747	\$197,964	\$39,968	39	4.5
2016	4,863,000	\$190,872	\$38,704	39	5.8

MOBILE METROPOLITAN STATISTICAL AREA (MSA)

Year	Population	Personal Income (millions of dollars)	Per Capita		Unemployment Rate
			Personal Income (PCPI)	Median Age	
2025	*	*	*	*	2.8
2024	412,339	\$22,225	\$53,901	39	3.8
2023	411,640	\$21,198	\$51,482	39	3.1
2022	428,780	\$19,894	\$48,370	38	3.2
2021	430,714	\$19,753	\$47,810	39	4.7
2020	430,313	\$17,649	\$42,588	38	8.9
2019	428,039	\$16,310	\$39,294	39	4.0
2018	413,757	\$15,723	\$37,827	38	4.8
2017	413,955	\$15,238	\$36,679	38	5.4
2016	414,836	\$14,959	\$35,940	37	6.7

*Statistics not yet available.

Note: 2025 population total estimated as of July 1, 2025 by U.S. Census Bureau for the State of Alabama. 2020 population and median age total is based on 5 year estimate derived from the 2020 Census per U.S. Census Bureau.

Source: U.S. Census Bureau for population and median age; Bureau of Economic Analysis for total personal income and PCPI; Bureau of Labor Statistics for unemployment rate

ALABAMA PORT AUTHORITY
PRINCIPAL EMPLOYERS IN THE MOBILE AREA
For Years 2025 and 2016

Exhibit 13

2025				
Employer	Industry	No. of Employees	Percentage of Total Mobile Area Employment	
University of South Alabama & USA Medical Facilities	Education & Medical	9,600	2.72%	
Mobile County Public Schools	Education	7,200	2.04%	
Infirmity Health System	Medical	4,700	1.33%	
Austal USA	Shipbuilding	3,500	0.99%	
Airbus U.S. Manufacturing Facility	Aircraft Assembly	2,000	0.57%	
City of Mobile	Government	2,000	0.57%	
ArcelorMittal	Carbon Steel Manufacturing	1,800	0.51%	
AltaPointe	Medical	1,700	0.48%	
Springhill Medical Center	Medical	1,600	0.45%	
County of Mobile	Government	1,600	0.45%	
Total of Largest Employers		35,700	10.11%	
Total Employed Labor Force *		353,156	100%	

2016				
Employer	Industry	No. of Employees	Percentage of Total Mobile Area Employment	
Mobile County Public School System	Education	7,500	2.51%	
University of South Alabama & USA Medical Facilities	Education & Medical	6,000	2.01%	
Infirmity Health System	Medical	5,000	1.67%	
Austal USA	Shipbuilding	4,000	1.34%	
Baldwin County Board of Education	Education	3,290	1.10%	
City of Mobile	Government	2,100	0.70%	
CPSI	Software	1,950	0.65%	
Mobile County	Government	1,650	0.55%	
AM/NS Calvert	Carbon Steel Manufacturing	1,600	0.54%	
Providence Hospital	Medical	1,500	0.50%	
Total of Largest Employers		34,590	11.57%	
Total Employed Labor Force *		299,053	100%	

* Data includes civilian employment in Mobile, Baldwin, Choctaw, Clarke, Conecuh, Escambia, Monroe, Washington, and Wilcox Counties for the Southwest workforce development region as defined by the Department of Labor for the State of Alabama.

Source: Mobile Area Chamber of Commerce; Alabama Labor Market Information System

ALABAMA PORT AUTHORITY
EMPLOYEE BREAKDOWN BY ORGANIZATION AND TYPE
For the Last Ten Years Ended September 30

ORGANIZATION	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating										
General Cargo	5	6	4	5	5	5	6	6	6	6
Central Billing	9	9	10	10	10	9	9	9	9	9
Container Yard	0	0	0	0	1	2	2	4	4	4
Housekeeping	10	11	11	9	9	12	13	12	10	12
Truck Control	4	2	3	3	3	3	3	3	3	3
Harbormaster	2	2	2	2	1	2	2	2	2	2
McDuffie Coal Terminal	218	229	207	193	180	195	211	198	175	167
Middle Bay Port	2	3	3	4	4	3	3	3	3	3
Pinto Island Terminal	27	30	27	28	25	24	24	24	23	22
Real Estate	3	1	2	2	2	2	2	2	2	2
Terminal Railroad										
Accounting	2	2	2	2	2	2	2	2	2	2
General Office	9	3	3	3	3	3	3	3	3	3
Maintenance of Equipment	17	18	16	15	16	16	16	16	16	18
Maintenance of Way	20	17	18	18	15	15	15	15	15	17
Transportation	62	66	66	65	62	63	64	60	64	67
Inland Porrrts	1	0	0	0	0	0	0	0	0	0
Non-Operating										
Environmental	5	6	6	6	6	6	6	7	5	6
Engineering	12	11	11	10	7	9	10	10	9	8
Executive	13	14	12	5	4	6	5	3	3	4
Financial Services	19	16	17	16	11	13	13	14	16	18
Garage	10	10	10	10	10	10	11	11	11	12
Human Resources	10	8	8	6	6	7	7	6	6	6
Information Technologies	12	12	13	10	11	13	11	11	11	12
Maintenance	27	27	26	26	25	27	27	25	25	25
Commercial Development	4	5	5	4	4	3	4	4	5	7
Port Police	35	36	35	46	47	52	56	53	55	56
Internal & External Affairs	3	3	4	4	2	3	3	3	3	3
Safety	2	2	2	2	2	2	2	2	2	2
TOTAL	543	549	523	504	473	507	530	508	488	496

ALABAMA PORT AUTHORITY
EMPLOYEE BREAKDOWN BY ORGANIZATION AND TYPE (cont.)
For the Last Ten Years Ended September 30

CLASSIFICATION	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating	391	399	374	359	338	356	375	359	337	337
Non-Operating	152	150	149	145	135	151	155	149	151	159
TOTAL	543	549	523	504	473	507	530	508	488	496

EMPLOYEE TYPE	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contract	0	6	8	2	1	2	3	4	1	2
Executive & Board	14	19	16	7	7	10	7	7	7	8
Hourly	246	264	244	230	216	233	251	240	213	203
Corporate*	131	0	0	0	0	0	0	0	0	0
Merit	46	154	150	162	151	163	169	161	167	176
Terminal Railroad	106	106	105	103	98	99	100	96	100	107
TOTAL	543	549	523	504	473	507	530	508	488	496

TOTAL EMPLOYED LABOR FORCE **	353,156	346,829	342,019	338,048	343,271	339,665	335,775	308,775	304,130	301,470
--------------------------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

ASPA EMPLOYEES AS A PERCENTAGE OF TOTAL EMPLOYED LABOR FORCE	0.15%	0.16%	0.15%	0.15%	0.14%	0.15%	0.16%	0.16%	0.16%	0.16%
---	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

* The Alabama Legislature passed HB253 in the 2024 session, which allows the Alabama Port Authority to employ non-merit system employees, moving away from the state Merit System and implement a corporate system for employment.

** Data includes civilian employment in Mobile, Baldwin, Choctaw, Clarke, Conecuh, Escambia, Monroe, Washington, and Wilcox Counties for the Southwest workforce development region as defined by the Department of Labor for the State of Alabama.

Source: Alabama Labor Market Information System; APA human resources department

**ALABAMA PORT AUTHORITY
FREIGHT TRAFFIC STATISTICS
For the Last Ten Years Ended December 31**

	2025	2024	2023	2022 ⁽¹⁾	2021 ⁽¹⁾	2020	2019	2018	2017	2016
PORT TONS (short tons)										
General Cargo Intermodal	6,666,137	6,812,143	6,863,470	6,475,341	7,630,113	6,292,463	7,724,547	7,467,001	7,817,931	6,915,938
McDuffie Coal & Bulk Handling	13,651,196	12,553,457	12,612,127	11,180,814	10,650,911	12,460,052	15,110,675	14,855,159	11,522,576	10,404,484
Total APA Facilities	20,317,333	19,365,600	19,475,597	17,656,155	18,281,024	18,752,515	22,835,222	22,322,160	19,340,507	17,320,422
Industry (APA)	1,061,145	1,130,865	1,298,144	1,767,483	1,702,879	1,595,401	1,135,168	1,394,281	1,505,784	2,001,866
General Port	31,968,670	12,143,906	16,528,600	16,999,580	17,223,690	8,910,362	9,858,460	9,331,620	11,945,577	14,119,214
TOTAL	53,347,148	32,640,371	37,302,341	36,423,218	37,207,593	29,258,278	33,828,850	33,048,061	32,791,868	33,441,502

FOREIGN TRADE FOR MOBILE, AL (short tons)	
Exports	** 17,510,997 16,552,479 16,946,483 16,314,859 15,727,509 14,019,569 16,141,395 18,518,420
Imports	** 18,938,466 17,859,999 20,249,856 16,170,960 19,834,242 21,199,530 19,764,023 18,308,123
TOTAL	** 36,449,463 34,412,478 37,196,339 32,485,819 35,561,751 35,219,099 35,905,418 36,826,543

REVENUE PER TON (USD \$)	
Operating Revenue	\$208,669,556 \$196,634,198 \$184,911,783 \$164,513,160 \$151,655,871 \$139,822,169 \$158,449,481 \$134,935,976 \$125,872,300 \$122,165,252
APA & Industry Tonnage	21,378,478 20,496,465 20,773,741 19,423,638 19,983,903 20,347,916 23,970,390 23,716,441 20,846,291 19,322,288
REVENUE PER TON	\$9.76 \$9.59 \$8.90 \$8.47 \$7.59 \$6.87 \$6.61 \$5.69 \$6.04 \$6.32

** Statistics not published

Note: The Authority adopted GASB Statement 96 during fiscal year 2023 resulting in an adjustment to operating revenue for fiscal year 2022 only. The Authority adopted GASB Statement 87 during fiscal year 2022 resulting in an adjustment to operating revenue for fiscal year 2021 only. Industry tonnage statistics include other non-major divisions and departments of the APA. General Port tonnage statistics include all freight accounted for in the Mobile River and Port of Mobile by privately owned terminals outside of the APA.

Source: APA audited financial statements; APA general cargo department; U.S. Army Corps of Engineers Institute for Water Resources

ALABAMA PORT AUTHORITY
DETAIL OF PORT FREIGHT TRAFFIC STATISTICS(cont.)
For the Last Ten Years Ended December 31

Exhibit 16

INDUSTRY TONNAGE (APA)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CONTAINERS (TEUs)	506,188	606,318	612,823	617,968	528,490	434,405	420,020	354,911	332,649	275,328
COMMODITIES BY DIVISION (short tons)										
AGRIPRODUCTS	221,647	359,366	295,652	717,615	568,672	793,626	273,474	422,631	689,196	977,058
CEMENT	120,000	22,053	161,123	146,471	173,893	100,000	63,618	100,000	---	26,199
CHEMICALS	719,498	749,426	841,369	903,397	960,314	701,775	798,076	871,650	816,588	998,609
INDUSTRY TOTAL	1,061,145	1,130,865	1,298,144	1,767,483	1,702,879	1,595,401	1,135,168	1,394,281	1,505,784	2,001,866
GENERAL PORT TONNAGE (APA)										
AGGREGATE	65,072	210,399	139,500	111,993	---	20,805	22,250	5,976	---	35,300
ASPHALT	19,492	---	---	---	38,000	141,850	187,300	124,950	232,575	184,050
CHEMICALS	207,695	432,041	184,102	168,064	257,825	163,626	86,391	103,833	113,730	205,661
CLINKER/CEMENT	---	12,240	---	47,500	102,514	12,300	250,897	5,498	157,330	404,951
COAL/COKE	2,188,119	375,717	1,867,518	2,061,908	1,592,374	1,754,036	1,977,024	1,468,435	1,506,346	2,232,353
COPPER	121,800	44,896	43,480	51,500	43,500	41,600	2,300	---	3,200	---
DIESEL	476,356	57,569	76,057	86,226	651,319	331,949	167,376	167,637	249,193	286,166
FROZEN PRODUCTS	---	---	---	3,477	---	---	---	---	---	---
GENERAL CARGO (NOS)	6,239	4,147	28,015	11,988	221,068	122,600	31,960	57,296	127,010	258,951
GRANITE	---	---	---	---	---	3,600	2,300	4,300	1,500	---
GYP SUM	---	---	---	---	---	1,500	---	---	1,671	31,466
IRON ORES	449,356	439,514	423,925	1,034,102	644,292	206,717	331,508	531,611	637,563	669,154
LIMESTONE	964,464	1,417,912	1,848,383	1,970,120	1,800,610	139,291	1,600,000	163,141	1,412,986	1,679,185
METHANOL	12,206	---	20,400	23,500	121,260	272,563	---	---	---	23,000
MISCELLANEOUS	156,319	432,269	107,781	276,040	490,078	410,132	211,968	164,247	216,794	166,506
PERLITE (BULK)	6,000	6,000	1,000	17,200	---	3,200	30,000	4,200	28,500	5,000
PETROLEUM	26,088,492	7,816,703	10,727,476	9,869,436	8,629,599	4,762,073	4,653,701	5,672,052	6,469,832	7,141,899
PULPWOOD	---	---	---	---	---	---	---	---	149,187	---
SCRAP IRON & STEEL	207,590	11,766	21,738	19,569	149,684	56,420	10,085	132,393	263,580	155,612
WOODCHIPS/LOGS	999,470	882,734	1,039,225	1,246,957	2,481,567	466,100	293,400	726,051	374,580	639,960
GENERAL PORT TOTAL	31,968,670	12,143,906	16,528,600	16,999,580	17,223,690	8,910,362	9,858,460	9,331,620	11,945,577	14,119,214
GRAND TOTAL	53,347,148	32,640,371	37,302,341	36,423,218	37,207,593	29,258,278	33,828,850	33,048,061	32,791,868	33,441,502

Note: Industry tonnage statistics include other non-major divisions and departments of the APA. General Port tonnage statistics include all freight accounted for in the Mobile River and Port of Mobile by privately owned terminals outside of the APA.

Source: APA general cargo department

ALABAMA PORT AUTHORITY
 DETAIL OF PORT FREIGHT TRAFFIC STATISTICS
 For the Last Ten Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GENERAL CARGO										
COMMODITIES BY DIVISION (short tons)										
BAGS NOS	67,585	57,454	41,262	73,037	96,647	80,445	98,354	85,539	67,269	84,982
BULK LIQUID	---	---	---	45,897	---	---	14,302	---	---	12,608
CONTAINER (TONS)	16,546	19,654	23,660	18,557	9,518	2,579	3,175	3,457	6,621	6,216
CROSS TIES & POLES	18,085	13,177	12,278	10,194	7,699	10,893	14,185	15,094	21,921	13,746
DRY BULK	---	---	---	---	---	4,777	16,780	5,009	5,124	---
FROZEN CHICKEN OR FOOD	77,517	53,212	70,837	93,486	103,330	69,125	82,539	75,615	91,913	132,832
IRON & STEEL	4,277,949	4,516,655	4,547,564	3,973,127	4,961,808	3,940,163	5,338,904	4,991,857	5,448,786	4,549,020
LINERBOARD & PAPER	179,687	178,945	159,884	171,706	146,544	124,013	113,827	118,487	111,529	158,351
LUMBER	393,142	290,128	289,346	386,041	365,408	201,889	242,981	284,387	277,756	257,365
MANUFACTURER & MISC.	66,958	35,575	20,694	43,958	66,936	43,453	56,474	40,322	65,550	54,562
METAL & ALLOYS	36,344	58,705	72,082	48,691	24,199	58,722	53,160	111,960	147,494	86,307
OTHER	2,831	431	1,012	268	159	277	425	1,381	2,023	734
PIG IRON	729,600	773,362	907,865	716,947	1,036,329	926,316	959,970	968,280	720,349	754,469
PLYWOOD & VENEER	20,768	23,448	10,406	34,030	20,723	15,786	25,309	30,930	25,535	26,605
RUBBER & RUBBER PROD.	6	---	---	485	---	---	---	170	84	1
WOOD PULP	779,119	791,397	706,580	858,917	790,813	814,025	704,162	734,513	825,977	778,160
GENERAL CARGO TOTAL	6,666,137	6,812,143	6,863,470	6,475,341	7,630,113	6,292,463	7,724,547	7,467,001	7,817,931	6,915,938
MCDUFFIE & BULK MATERIAL HANDLING PLANT										
COAL	13,651,196	12,553,457	12,612,127	11,180,814	10,650,911	12,460,052	15,110,675	14,855,159	11,513,753	10,404,484
COKE	---	---	---	---	---	---	---	---	---	---
IRON ORE	---	---	---	---	---	---	---	---	8,823	---
MCDUFFIE & BULK MATERIAL HANDLING PLANT TOTAL	13,651,196	12,553,457	12,612,127	11,180,814	10,650,911	12,460,052	15,110,675	14,855,159	11,522,576	10,404,484
TOTAL APA FACILITIES	20,317,333	19,365,600	19,475,597	17,656,155	18,281,024	18,752,515	22,835,222	22,322,160	19,340,507	17,320,422

ALABAMA PORT AUTHORITY
RATIOS OF CAPITAL ASSETS
For the Last Ten Years Ended September 30

Ratio of Operating Revenues (in thousands) to Capital Assets* (in thousands) by Division

	2025	2024	2023	2022 ⁽¹⁾	2021 ⁽¹⁾	2020	2019	2018	2017	2016
McDuffie Coal Terminal										
Operating Revenue	\$94,269	\$87,165	\$86,198	\$69,919	\$65,487	\$62,938	\$75,109	\$61,262	\$55,891	\$48,938
Capital Assets	\$174,233	\$160,433	\$148,004	\$131,657	\$120,453	\$125,263	\$129,362	\$139,997	\$143,442	\$150,839
Return on Capital Assets	54%	54%	58%	53%	54%	50%	58%	44%	39%	32%
General Cargo / Intermodal										
Operating Revenue	\$45,131	\$46,099	\$40,069	\$39,288	\$38,276	\$35,246	\$40,785	\$36,459	\$35,386	\$36,362
Capital Assets	\$79,170	\$80,890	\$82,344	\$71,843	\$124,991	\$130,384	\$137,705	\$147,054	\$154,445	\$160,857
Return on Capital Assets	57%	57%	49%	55%	31%	27%	30%	25%	23%	23%
Terminal Railway										
Operating Revenue	\$29,579	\$31,607	\$26,854	\$25,273	\$22,514	\$22,270	\$22,425	\$18,856	\$16,385	\$19,268
Capital Assets	\$42,147	\$40,074	\$39,067	\$34,475	\$35,804	\$35,588	\$35,215	\$35,554	\$36,965	\$38,543
Return on Capital Assets	70%	79%	69%	73%	63%	63%	64%	53%	44%	50%
Real Estate										
Operating Revenue	\$20,024	\$20,345	\$20,861	\$18,532	\$15,543	\$10,656	\$10,988	\$9,488	\$9,326	\$8,154
Capital Assets	\$260,260	\$269,641	\$273,954	\$278,788	\$285,414	\$246,484	\$207,087	\$213,857	\$218,982	\$219,730
Return on Capital Assets	8%	8%	8%	7%	5%	4%	5%	4%	4%	4%
Marine Liquid Bulk Terminal										
Operating Revenue	\$4,903	\$4,743	\$4,347	\$4,266	\$3,761	\$3,369	\$3,586	\$3,482	\$3,391	\$3,464
Capital Assets	\$10,852	\$11,326	\$8,780	\$9,162	\$9,545	\$9,924	\$9,958	\$8,092	\$8,380	\$8,668
Return on Capital Assets	45%	42%	50%	47%	39%	34%	36%	43%	40%	40%
Other										
Operating Revenue	\$14,764	\$6,676	\$6,583	\$7,236	\$6,074	\$5,344	\$5,556	\$5,388	\$5,492	\$5,980
Capital Assets	\$91,743	\$89,738	\$90,025	\$92,494	\$32,182	\$33,973	\$33,185	\$34,421	\$35,345	\$40,810
Return on Capital Assets	16%	7%	7%	8%	19%	16%	17%	16%	16%	15%
Total										
Operating Revenue	\$208,670	\$196,634	\$184,912	\$164,514	\$151,656	\$139,822	\$158,449	\$134,936	\$125,872	\$122,165
Capital Assets	\$658,405	\$652,101	\$642,173	\$618,419	\$608,389	\$581,616	\$552,512	\$578,973	\$597,559	\$619,447
Return on Capital Assets	32%	30%	29%	27%	25%	24%	29%	23%	21%	20%

*Net of accumulated depreciation and excludes construction in progress.

⁽¹⁾ The Authority adopted GASB Statement 96 during fiscal year 2023 resulting in an adjustment to capital assets for fiscal year 2022 only. The Authority adopted GASB Statement 87 during fiscal year 2022 resulting in an adjustment to capital assets for fiscal year 2021 only.

Source: APA records and audited financial statements

**ALABAMA PORT AUTHORITY
CAPITAL ASSETS STATISTICS
As of September 30, 2025**

Total Acreage	5,700
Warehouse & Open Yards (sq. ft.)	5 million
Channel Depth in Upper River Harbor (feet)	up to 40
Channel Depth in Lower River Harbor (feet)	up to 50

General Cargo Terminals	3
Barge Hauls	3
Berths	35
with Transit Sheds	19
with Open Wharves	17
with Marginal Tracks	17
with Roll-on / Roll-off Ramps	1
with Freezer Terminal	1
Cement Terminal	1
Container Yard (acreage)	22
Cranes	
Magnetic Lifting Gantry	3
Harbor	1
Pig Iron Terminal	1
RO-RO Terminal	1
Rail Ferry Terminal	1
Steel Coil Handling Facility	1
Steel Slab Handling Terminal	1
Truck Scales	1

Container Terminals	1
Intermodal Rail Facility	1
Marine Terminal	1
Berths	2,400 ft.
Cranes	
Post-Panamax	2
Super Post-Panamax	4

Railroads	
Locomotives	9
Track (miles)	75

Liquid Bulk Terminal	1
Berths	2

Bulk Materials Terminals	1
Berths	3
Barge Loaders	1
Barge Unloaders	2
Double Stackers	2
Automatic Samplers	2
Ship Loaders	2
Ship Unloaders	3
Stacker / Reclaimers	6
Storage Capacity (tons)	
Ground	2.3 million
Tandem Railcar Dumps	1
Single Railcar Dump	1

Grain Elevator	1
Bushel capacity (bushels)	3.3 million
Ship loading capacity	
per hour (bushels)	100,000
Railcar unloading capacity	
per hour (bushels)	24,000

Inland Ports	8
Grain Elevators (see *)	4
Total acres	236
<u>Port</u>	<u>River</u>
Axis	Mobile
Bridgeport	Tennessee
Columbia *	Chattahoochee
Cordova	Black Warrior
Demopolis *	Tombigbee
Eufaula	Chattahoochee
Montgomery *	Alabama
Selma	Alabama

Note: The Alabama Port Authority lies in proximity to two turning basins which are not capital assets of the Authority. The Port also has immediate access to two interstate systems and five Class 1 railroads.

Source: APA records

ALABAMA PORT AUTHORITY
MISCELLANEOUS STATISTICAL DATA
ALABAMA'S TOTAL VALUE OF TRADE BY REGION (in thousands)
For the Last Ten Years Ended December 31

	World	% of Total	Africa	% of Total	Asia & Pacific Rim	% of Total	Europe	% of Total	Latin America	% of Total	Middle East	% of Total	North America	% of Total
<u>2025</u>														
Exports	\$23,670,000		\$274,000		\$6,115,000		\$6,482,000		\$2,037,000		\$440,000		\$8,322,000	
Imports	\$34,840,000		\$250,000		\$14,145,000		\$8,464,000		\$1,904,000		\$250,000		\$9,827,000	
Total	\$58,510,000	100%	\$524,000	1%	\$20,260,000	35%	\$14,946,000	26%	\$3,941,000	7%	\$690,000	1%	\$18,149,000	31%
<u>2024</u>														
Exports	\$26,835,000		\$317,000		\$8,365,000		\$7,366,000		\$1,858,000		\$433,000		\$8,496,000	
Imports	\$38,757,000		\$432,000		\$15,848,000		\$9,588,000		\$1,673,000		\$511,000		\$10,705,000	
Total	\$65,592,000	100%	\$749,000	1%	\$24,213,000	37%	\$16,954,000	26%	\$3,531,000	5%	\$944,000	1%	\$19,201,000	29%
<u>2023</u>														
Exports	\$27,440,000		\$270,000		\$8,279,000		\$8,393,000		\$2,335,000		\$968,000		\$7,195,000	
Imports	\$37,231,000		\$367,000		\$14,595,000		\$9,005,000		\$1,481,000		\$189,000		\$11,594,000	
Total	\$64,671,000	100%	\$637,000	1%	\$22,874,000	35%	\$17,398,000	27%	\$3,816,000	6%	\$1,157,000	2%	\$18,789,000	29%
<u>2022</u>														
Exports	\$25,730,000		\$481,000		\$7,374,000		\$7,952,000		\$2,561,000		\$631,000		\$6,731,000	
Imports	\$37,028,000		\$508,000		\$14,648,000		\$8,849,000		\$1,762,000		\$344,000		\$10,917,000	
Total	\$62,758,000	100%	\$989,000	2%	\$22,022,000	35%	\$16,801,000	27%	\$4,323,000	7%	\$975,000	2%	\$17,648,000	28%
<u>2021</u>														
Exports	\$20,927,000		\$404,000		\$6,317,000		\$6,156,000		\$1,625,000		\$453,000		\$5,972,000	
Imports	\$31,526,000		\$832,000		\$12,659,000		\$7,711,000		\$1,402,000		\$125,000		\$8,797,000	
Total	\$52,453,000	100%	\$1,236,000	2%	\$18,976,000	36%	\$13,867,000	26%	\$3,027,000	6%	\$578,000	1%	\$14,769,000	28%
<u>2020</u>														
Exports	\$17,392,000		\$330,000		\$5,946,000		\$4,651,000		\$1,325,000		\$331,000		\$4,809,000	
Imports	\$25,483,000		\$280,000		\$10,890,000		\$6,151,000		\$1,178,000		\$263,000		\$6,721,000	
Total	\$42,875,000	100%	\$610,000	1%	\$16,836,000	39%	\$10,802,000	25%	\$2,503,000	6%	\$594,000	1%	\$11,530,000	27%
<u>2019</u>														
Exports	\$20,796,000		\$238,000		\$5,406,000		\$6,606,000		\$1,868,000		\$526,000		\$6,152,000	
Imports	\$28,309,000		\$230,000		\$11,042,000		\$7,237,000		\$1,332,000		\$545,000		\$7,923,000	
Total	\$49,105,000	100%	\$468,000	1%	\$16,448,000	33%	\$13,843,000	28%	\$3,200,000	7%	\$1,071,000	2%	\$14,075,000	29%

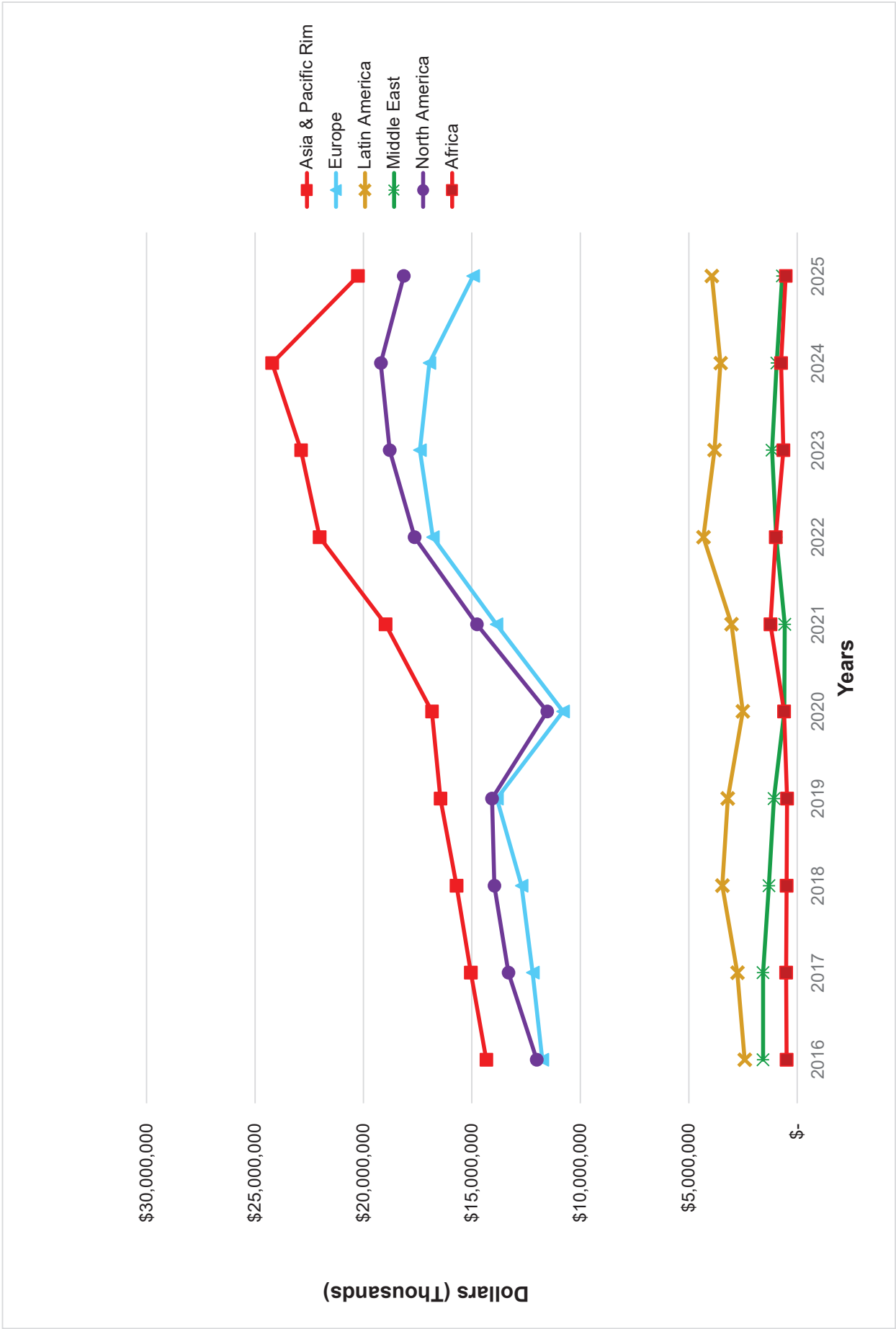
Note: Latin America includes the regions of the Caribbean, Central America, and South America. North America includes the countries of Canada and Mexico.

Source: International Trade Administration, a bureau of the U.S. Department of Commerce

**ALABAMA PORT AUTHORITY
MISCELLANEOUS STATISTICAL DATA
ALABAMA'S TOTAL VALUE OF TRADE BY REGION (in thousands) (cont.)
For the Last Ten Years Ended December 31**

	World	% of Total	Africa	% of Total	Asia & Pacific Rim	% of Total	Europe	% of Total	Latin America	% of Total	Middle East	% of Total	North America	% of Total
<u>2018</u>														
Exports	\$21,416,000		\$224,000		\$6,211,000		\$5,532,000		\$2,196,000		\$544,000		\$6,709,000	
Imports	\$26,211,000		\$268,000		\$9,500,000		\$7,177,000		\$1,259,000		\$758,000		\$7,249,000	
Total	\$47,627,000	100%	\$492,000	1%	\$15,711,000	33%	\$12,709,000	27%	\$3,455,000	7%	\$1,302,000	3%	\$13,958,000	29%
<u>2017</u>														
Exports	\$21,797,000		\$306,000		\$6,415,000		\$5,612,000		\$1,594,000		\$743,000		\$7,127,000	
Imports	\$23,595,000		\$199,000		\$8,633,000		\$6,581,000		\$1,162,000		\$832,000		\$6,188,000	
Total	\$45,392,000	100%	\$505,000	1%	\$15,048,000	33%	\$12,193,000	27%	\$2,756,000	6%	\$1,575,000	3%	\$13,315,000	29%
<u>2016</u>														
Exports	\$20,471,000		\$340,000		\$5,810,000		\$5,385,000		\$1,217,000		\$951,000		\$6,768,000	
Imports	\$22,125,000		\$153,000		\$8,525,000		\$6,372,000		\$1,206,000		\$624,000		\$5,245,000	
Total	\$42,596,000	100%	\$493,000	1%	\$14,335,000	34%	\$11,757,000	28%	\$2,423,000	6%	\$1,575,000	4%	\$12,013,000	28%

ALABAMA PORT AUTHORITY
CHART OF ALABAMA'S TOTAL VALUE OF TRADE BY REGION (in thousands)
 For the Last Ten Years Ended December 31



Source: International Trade Administration, a bureau of the U.S. Department of Commerce



