Report on the

Comprehensive Annual Financial Report (CAFR)
State of Alabama

Montgomery, Alabama

October 1, 2019 through September 30, 2020

Filed: April 30, 2021

Department of Examiners of Public Accounts

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Rachel Laurie Riddle, Chief Examiner

21-241

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Rachel Laurie Riddle
Chief Examiner

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

Dear Madam:

An audit was conducted on the financial statements contained in the Comprehensive Annual Financial Report (CAFR) of the State of Alabama for the period October 1, 2019 through September 30, 2020. Under the authority of the ***Code of Alabama 1975***, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the audit.

Respectfully submitted,

James E. Hall, CPA
Examiner of Public Accounts
State Audit Division Director

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Department of
Examiners of Public Accounts

SUMMARY

Comprehensive Annual Financial Report (CAFR)
of the State of Alabama
October 1, 2019 through September 30, 2020

This report presents the results of an audit of the financial statements contained in the Comprehensive Annual Financial Report (CAFR) of the State of Alabama (the "State"). This audit was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the ***Code of Alabama 1975***, Section 41-5A-12. The State of Alabama Department of Finance prepares and publishes the ***State of Alabama Comprehensive Annual Financial Report***, a copy of which is contained in this report.

The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States. The objective of the audit was to determine whether the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of and for the year ended September 30, 2020, which collectively comprise the State's basic financial statements listed in the CAFR table of contents, are presented fairly in all material respects. This report includes the ***Independent Auditor's Report*** and a ***Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards***.

The ***Independent Auditor's Report*** contains our unmodified opinions on the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of and for the year ended September 30, 2020, which collectively comprise the State's basic financial statements listed in the table of contents. The ***Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*** is a report on internal controls related to the financial statements and on whether the State of Alabama complied with laws and regulations which could have a direct and material effect on the State's financial statements.

Material weaknesses in internal control were found during the audit. Details of the material weaknesses are included in the ***Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards***. The material weaknesses are summarized below.

AUDIT FINDINGS

Findings contained in prior audits related to two State agencies' internal control over financial reporting have not been resolved, and they are summarized below:

- 2020-001 relates to the Department of Labor. Material weaknesses in internal control exist in the contingency planning and disaster recovery procedures affecting the Department's ability to continue operations in the event the information technology resources were adversely affected by man-made or natural disasters. This is a repeat of Findings 2019-001, 2018-001, 2017-001 and 2011-001 which indicates 2011 as the year the finding originally occurred.

- 2020-002 relates to the Department of Finance Information Services Division. A material weakness exists concerning contingency planning that ensures back-up data is available in the event of a natural disaster. This is a repeat of Findings 2019-002, 2018-002, 2017-002 and 2014-001 which indicates 2014 as the year the finding originally occurred.

EXIT CONFERENCE

An exit conference was held to discuss the results of the audit and contents of this report. Individuals included in the conference were: Kathleen D. Baxter, State Comptroller, Mike Hudson, Deputy State Comptroller; Serena McMurtrey, Director of Financial Reporting from the Department of Finance; and James Hall from the Department of Examiners of Public Accounts.

Department of
Examiners of Public Accounts

COMMENTS

Comprehensive Annual Financial Report (CAFR)
of the State of Alabama
October 1, 2019 through September 30, 2020

Overview of the Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) presents financial information on the government of the State of Alabama as a whole as a single reporting entity. While state law allows many state organizations to operate largely independent of the daily central control and scrutiny of the Department of Finance, this report combines the financial data of all state organizations in order to present a comprehensive picture of state finances. The numerous departments, agencies, elected officials, boards, commissions, authorities, colleges, universities, and other organizational units of the State of Alabama are included in the report in accordance with standards established by the Governmental Accounting Standards Board.

In accordance with the standards established by the Governmental Accounting Standards Board, the State of Alabama's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The *government-wide financial statements* provide a broad overview of the State's financial position and activities measured in a manner similar to a private-sector business. The government-wide financial statements exclude fiduciary activities, such as the Retirement Systems of Alabama, the Prepaid Affordable College Tuition program, and other funds held in a trust capacity.

The *fund financial statements* include *all* funds of the State of Alabama. A *fund* is a fiscal and accounting entity usually established by law or regulation that has a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. Fund accounting is required both by the Governmental Accounting Standards Board and by state law to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the State of Alabama are classified into three categories: governmental funds, proprietary funds, and fiduciary funds. *Governmental funds* are used to account for most of the State's basic services. The State General Fund, the Education Trust Fund, and the Alabama Trust Fund are included in governmental funds. *Proprietary funds* are used to account for services or goods provided by the State for which customers are charged a fee. The Alabama Port Authority and the Alcoholic Beverage Control Board operate using proprietary funds. *Fiduciary funds* are used to account for money or other assets that the State is holding as a trustee or acting in a fiduciary capacity. The Retirement Systems of Alabama and the Prepaid Affordable College Tuition program are included in the fiduciary funds financial statements.

The *Notes to the Financial Statements* are an integral part of the financial statements. They provide narrative explanations and more detailed information concerning amounts shown in the financial statements and also provide additional information that is essential to reporting a complete disclosure of the financial position and activities of the State of Alabama.

Long-term debt (bond indebtedness) of the State of Alabama is shown in two places in the financial statements. Bond indebtedness paid from proprietary fund operations is shown in both the government-wide financial statements and in the proprietary fund financial statements. For bond indebtedness payable from governmental funds, only the matured portion due is shown as an obligation in the governmental fund financial statements. The remaining portion of the governmental fund long-term debt is reported in the government-wide financial statements. Because certain details and summaries of the bond indebtedness of the State of Alabama are not reported in the CAFR, the Department of Examiners of Public Accounts annually issues a separate special report titled ***Bond Indebtedness of the State of Alabama*** which shows more details and summaries of the State's bond indebtedness.

Independent Auditor's Report

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama
Montgomery, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the State of Alabama as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain agencies and funds. These agencies and funds reflect the following percentages of total assets or deferred outflows and revenues or additions of the indicated opinion units:

Opinion Unit and Related Agencies/Funds Audited by Other Auditors	Percent of Opinion Unit's Total Assets/Deferred Outflows of Resources	Percent of Opinion Unit's Total Revenues/Additions
Governmental Activities: Alabama Public Health Care Authority	0.05%	0%
Business-Type Activities: Alabama Fire College and Personnel Standards Commission Alabama State Port Authority	51%	4%
Aggregate Discretely Presented Component Units: State Employees' Insurance Board Public Education Employees' Health Insurance Fund Alabama Housing Finance Authority Alabama Water Pollution Control Authority Alabama Drinking Water Finance Authority Space Science Exhibit Commission Athens State University Auburn University Jacksonville State University University of Alabama University of South Alabama University of Montevallo University of North Alabama	89%	86%
Proprietary/Enterprise Fund: Alabama State Port Authority	100%	100%
Aggregate Remaining Fund Information: Retirement Systems of Alabama Employees' Savings Plans (PEIRAF and RSA-1) Retired Education Employees' Health Care Trust Retired State Employees' Health Care Trust Prepaid Affordable College Tuition Program Alabama College Education Savings Plan Alabama Public Health Care Authority	88%	49%

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Retirement Systems of Alabama, the RSA Employees' Savings Plans (the Public Employees' Individual Retirement Account Fund and the RSA-1 Deferred Compensation Plan), the Public Education Employees' Health Insurance Fund, the State Employees' Insurance Board, the Retired Education Employees' Health Care Trust and the Retired State Employees' Health Care Trust were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with ***Government Auditing Standards***.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the State of Alabama's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Alabama's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the other Required Supplementary Information, listed in the accompanying table of contents, 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 and the other auditors 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 or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Alabama's basic financial statements. The accompanying supplementary information which includes the combining and individual fund statements and schedules, and the accompanying other information which includes the introductory and statistical sections, listed in the accompanying table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information (combining and individual fund statements and schedules) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information (introductory and statistical sections) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated March 31, 2021, on our consideration of the State of Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing 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 State of Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the State of Alabama's internal control over financial reporting and compliance.

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

March 31, 2021

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama
Montgomery, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise State of Alabama's basic financial statements and have issued our report thereon dated March 31, 2021. Our report includes a reference to other auditors. Below is a list which indicates the financial statements of the agencies and funds audited by other auditors and whether the audits were performed in accordance with ***Government Auditing Standards***. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Agencies/Funds Audited by Other Auditors	Audit Performed in Accordance with ***Government Auditing Standards***	Audit Not Performed in Accordance with ***Government Auditing Standards***
Alabama Public Health Care Authority	X	
Alabama State Port Authority	X	
State Employees' Insurance Board		X
Public Education Employees' Health Insurance Fund		X
Alabama Housing Finance Authority	X	
Alabama Water Pollution Control Authority	X	
Space Science Exhibit Commission	X	
Alabama Drinking Water Finance Authority	X	
University of Alabama	X	
Auburn University	X	
Athens State University	X	
Jacksonville State University	X	
University of South Alabama	X	
University of North Alabama	X	
University of Montevallo	X	
Alabama Fire College and Personnel Standards Commission	X	
Retirement Systems of Alabama		X
Employees' Savings Plans (PEIRAF and RSA-1)		X
Retired Education Employees' Health Care Trust		X
Retired State Employees' Health Care Trust		X
Prepaid Affordable College Tuition Program	X	
Alabama College Education Savings Plan	X	

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Alabama's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Alabama's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Alabama's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal controls described below, as Findings 2020-001 and 2020-002, that we consider to be material weaknesses.

The findings related to information technology are being presented in summary form for security reasons. Details of the findings have been communicated to the affected state agencies.

Finding 2020-001 (formerly reported as Findings 2019-001, 2018-001, 2017-001 and 2011-001) – Contingency Planning and Disaster Recovery – Material Weakness

We reviewed the internal control policies and procedures affecting the ability of certain state agencies to be able to continue operations in the event the information technology resources of those agencies were adversely affected by man-made or natural disasters. Critical information technology resources and the related government functions served by those resources are at risk because of weaknesses in the control policies and procedures affecting contingency planning.

The Alabama Department of Labor had a disaster recovery plan; however, the plan has not been updated to adequately reflect significant changes in hardware, software, and personnel. This condition increases the risk that the Department could incur major disruptions in service if there is a catastrophic event at or near its primary data processing center.

Recommendation

The Alabama Department of Labor should update all components of its disaster recovery plan. Periodic reviews and updates of the disaster recovery plan should be performed.

Views of Responsible Officials

The Alabama Department of Labor agrees with the finding.

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

We reviewed the internal control policies and procedures affecting the ability of the Department of Finance Information Services Division to be able to continue operations in the event the information technology resources of the Department were adversely affected by man-made or natural disasters. Critical information technology resources and the related government functions served by those resources are at risk because of weaknesses in the control policies and procedures affecting contingency planning. A comprehensive disaster recovery plan which includes all functional units of the Department including SBS/STAARS (State Business Systems/State of Alabama Accounting and Resource System) has not been completed. These conditions increase the risk that the Department could incur major disruptions in service if there is a catastrophic event at or near its primary data processing center.

Recommendation

The Department of Finance Information Services Division should update the master disaster recovery plans for all functional units of the Department.

Views of Responsible Officials

The Department of Finance State Business Systems Division agrees with the finding.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Alabama's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under ***Government Auditing Standards***.

The State of Alabama's Response to Findings

The State of Alabama's responses to the findings identified in our audit are described in the accompanying Auditee Responses/Corrective Action Plans. The State of Alabama's responses were not subjected to auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rachel Laurie Riddle

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

March 31, 2021

Auditee Responses/Corrective Action Plans

OFFICE OF THE GOVERNOR

KAY IVEY
GOVERNOR

STATE OF ALABAMA

DEPARTMENT OF LABOR

FITZGERALD WASHINGTON
SECRETARY OF LABOR

Auditee Response/Corrective Action Plan
Section II – Financial Statement Findings (GAGAS)
Department of Labor

For the Year Ended September 30, 2020

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Department of Labor has prepared and hereby submits the following Corrective Action Plan for the finding which will be included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2020.

Finding Ref. No.	Corrective Action Plan Details
2020-001	*This is a repeat of Findings 2019-001, 2018-001, 2017-001 and 2011-001 which indicates 2011 as the year the finding originally occurred.* ***Contingency Planning and Disaster Recovery – Material Weakness*** We reviewed the internal control policies and procedures affecting the ability of certain state agencies to be able to continue operations in the event the information technology resources of those agencies were adversely affected by man-made or natural disasters. Critical information technology resources and the related government functions served by those resources are at risk because of weaknesses in the control policies and procedures affecting contingency planning. The Alabama Department of Labor had a disaster recovery plan; however, the plan has not been updated to adequately reflect significant changes in hardware, software, and personnel. These conditions increase the risk that the Department could incur major disruptions in service if there is a catastrophic event at or near its primary data processing center.

Recommendation

The Alabama Department of Labor should update all components of its disaster recovery plan. Periodic reviews and updates of the disaster recovery plan should be performed.

Response/Views: We agree with this finding.

Corrective Action Planned: ADOL's disaster recovery plan is currently being reviewed to analyze the possibility for our existing plan to be converted to cloud based electronic system. This system would reflect updates to hardware, software, and personnel on a regular basis. ADOL personnel currently operates from a cloud platform daily, which allows ADOL to work from any alternate location with a secure network. This drastically decrease the risk of any major disruptions in service if there is a catastrophic event at or near our primary data processing center.

Reason for the Recurrence: Since March of 2019 ADOL has been handling a very high volume of work. The secure and effective processing of UI claims has been ADOL's main goal. ADOL's has not had the resources to review or update the DR plan submitted for this audit. The addition of new technologies and the effort to keep the DR plan relevant to ADOL's current environment has resulted in ADOL's inability to keep the DR up-to date with the changing technologies. ADOL hopes to have an updated plan by the end of 2nd quarter 2021.

Anticipated Completion Date: July 1, 2021

Contact Person(s): John Demas (john@alabama.gov)

Signature of Responsible Official: Place your signature as the Responsible Official here.

Fitzgerald Washington

STATE OF ALABAMA
Office of Information Technology

64 North Union Street, Suite 200
Montgomery, AL 36130
Telephone (334) 242-3800

KAY IVEY
Governor

HENRY M. REDDEN
Secretary

Response and Corrective Action Plan to finding 2020-002

Auditee Response/Corrective Action Plan
For the Year Ended September 30, 2020

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Office of Information Technology has prepared and hereby submits the following Corrective Action Plan for the finding which will be included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2020.

Finding Ref. No.	Corrective Action Plan Details
2020-002 .	This is a repeat of Findings 2019-002, 2018-002, 2017-002, and 2014-001, which indicates 2014 as the year the finding originally occurred.

Disaster Recovery and Contingency Planning – Material Weakness

We reviewed the internal control policies and procedures affecting the ability of the Department of Finance Information Services Division to be able to continue operations in the event the information technology resources of the Department of Finance were adversely affected by man-made or natural disasters. Critical information technology resources and the related government functions served by those resources are at risk because of weaknesses in the control policies and procedures affecting contingency planning. A comprehensive disaster recovery plan which includes all functional units of the Department of Finance including SBS/STAARS (State Business Systems/State of Alabama Accounting and Resource System) has not been completed. These conditions increase the risk that the Department of Finance could incur major disruptions in service if there is a catastrophic event at or near its primary data processing center.

Recommendation

The Office of Information Technology should update the master disaster recovery plans for all functional units of the Department.

Response/Views: We agree with the finding.

STATE OF ALABAMA
Office of Information Technology

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Montgomery, AL 36130
Telephone (334) 242-3800

KAY IVEY
Governor

HENRY M. REDDEN
Secretary

Corrective Action Planned: The Office of Information Technology (OIT) has negotiated a lease with a 3rd party Data Center provider in Birmingham, AL to facilitate Disaster Recovery services. OIT has finalized the network design and will order the necessary infrastructure to provide "warm site" recovery at this location for selected services. All data currently being backed up/stored at the Tuscaloosa site will be migrated to this location.

Once all infrastructure and services are consolidated into the Birmingham facility, OIT will continue with business continuity planning within OIT and include additional agencies that have a need for this functionality. Once the core services and functionality are available, OIT will coordinate and perform periodic Disaster Recovery tests for our services in conjunction with the participating Agencies that we support. These tests will be performed annually, with more frequent incremental testing for selected services.

Reason for the Recurrence: The limitation of fiscal resources to duplicate network, compute, and security resources has delayed the implementation of full disaster recovery functionality for OIT and the customers supported.

Anticipated Completion Date: December 31th, 2021. The consolidation of Tuscaloosa into Birmingham will be completed by this date. This will allow OIT and supported customer to fully develop business continuity plans and identify key services and applications along with their dependencies needed to fully operate in the event of a natural or man-made disaster.

Contact Person(s): Marty Redden
Secretary of Information Technology

Signature of Responsible Official:

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STATE OF ALABAMA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2020

Kay Ivey
Governor

John McMillan
State Treasurer

Kelly Butler
Finance Director

Jim Zeigler
State Auditor

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

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STATE OF ALABAMA
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Office of the State Comptroller

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Kay Ivey
Governor

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

Kelly Butler
Finance Director

Michael G. Hudson, CGFM
Deputy State Comptroller

March 31, 2021

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

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the State of Alabama for the year ended September 30, 2020. I believe the information as presented is accurate in all material respects and complies with Article IV, Section 72 of the *Constitution of Alabama of 1901* and Section 41-4-3(4) of the *Code of Alabama 1975*, as amended. The completeness and fairness of the presentation, including all disclosures, rests with the State's management. This report complies with Article V, Section 137 of the *Constitution of Alabama of 1901* and Section 36-16-1(6) of the *Code of Alabama 1975*, as amended, as the financial report for the State Auditor, State Treasurer, and State Comptroller.

Introduction to the Report

Internal Controls

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

Audit

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

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

Profile of the Government

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

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

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

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

	2020	2019	2018	2017	2016
Beginning Cash Balance, October 1	**$ 451,534**	**$ 383,840**	**$ 231,278**	**$ 168,591**	**$ 146,054**
Receipts	2,299,168	2,151,955	1,996,118	1,919,834	1,845,327
Disbursements	2,182,735	2,084,261	1,843,556	1,857,147	1,822,790
Net Increase (Decrease) in Cash Balance	**116,433**	**67,694**	**152,562**	**62,687**	**22,537**
Ending Cash Balance, September 30	**567,967**	**451,534**	**383,840**	**231,278**	**168,591**
Cash Balance Reserved for Obligations	71,726	47,647	57,765	40,904	44,959
Unobligated Cash Balance, September 30	**$ 496,241**	**$ 403,887**	**$ 326,075**	**$ 190,374**	**$ 123,632**

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

	2020	2019	2018	2017	2016
Beginning Cash Balance, October 1	**$ 673,374**	**$ 409,773**	**73,079**	**$ 191,977**	**$ 197,189**
Receipts	7,741,235	7,215,276	6,753,485	6,327,327	6,072,933
Disbursements	7,999,366	6,951,675	6,416,791	6,446,225	6,078,145
Net Increase (Decrease) in Cash Balance	**(258,131)**	**263,601**	**336,694**	**(118,898)**	**(5,212)**
Ending Cash Balance, September 30	**415,243**	**673,374**	**409,773**	**73,079**	**191,977**
Cash Balance Reserved for Obligations	40,303	58,855	58,766	66,160	70,954
Unobligated Cash Balance, September 30	**$ 374,940**	**$ 614,519**	**$ 351,007**	**$ 6,919**	**$ 121,023**

General Fund and Education Trust Fund Balances

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

Fund Balances - GAAP Basis

(Amounts in Millions)

	2020	2019	2018	2017	2016
General Fund	$ 897.7	$ 701.2	$ 602.7	437.5	$ 188.2
Education Trust Fund	816.9	1,050.0	719.5	400.6	486.8

Cash Management

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

The State Treasurer has placed considerable emphasis on cash management. In cooperation with state agencies, the receiving of funds into the State Treasury is expedited, with all excess funds earning interest. Interest income and other investment earnings received during the 2020 fiscal year totaled approximately $51.3 million. Investment earnings are deposited in the State's General Fund to be appropriated by the State Legislature for government operations. In addition to the management of the investment of these funds, the State Treasurer initiates investments for several state agencies, with investment earnings being credited to those agencies.

Long-term Financial Initiatives

The State continues to improve its financial processes. The new State payroll/personnel system will be live in fiscal year 2022. A minor upgrade to the State financial system in 2021 will pave the way for a major upgrade in the future. A new procurement system will be up for six large pilot agencies in May 2021 and the rest of the agencies to follow in the fall.

Economic Condition and Outlook

Alabama's economy was growing in fiscal year 2020 at a rate that exceeded the growth in 2019. However, the COVID-19 pandemic caused economic disruptions, and Alabama's economy went into a decline. As the impact of this pandemic recedes, Alabama's economy is expected to rebound by 2.6 percent in 2021. Non-agricultural employment is expected to experience a rise of 1.5 percent, adding approximately 30,000 jobs. Industries with the strongest increases in employment are expected to be electrical equipment and appliance manufacturing; transportation, warehousing, and utilities; professional and business services; wood products manufacturing; and educational and health services. Federal civilian employment is expected to decrease, but local and state government are projected to have modest job growth in the coming year.

Consumer spending decreased in 2020 as Alabama's gross domestic product (ALGDP) fell by 3.6 percent. The State's unemployment rate temporarily reached 12.7 during April 2020 but was below the national average of 14.4 percent. However, by January 2021 the Alabama unemployment rate has decreased to 4 percent as the economy continues to strengthen.

Alabama lost 70,800 nonfarm employment jobs during 2020 and 94 percent of the net job losses occurred in the service providing sector. Job losses were seen in most other sectors of the economy as well. However, virus containment efforts fueled demand for general merchandise and household goods resulting in net job gains of 3,600 jobs in the retail trade and 2,200 jobs in the transportation, warehousing, and utility businesses.

Manufacturing sector declined by 2.2 percent due to the impact of COVID-19. The construction sector's output showed some improvement in the period September 2019 to September 2020 with real output growing by 2.2 percent. Wholesale trade dropped 5.1 percent and was accompanied by a loss of 4,500 jobs in employment from September 2019 to September 2020. Despite the pandemic, retail output rose 0.6 percent and retail trade employment increased by 1.6 percent.

Exports were also greatly affected by the COVID 19 pandemic. Alabama exports totaled $13.3 billion in the first nine months of 2020 which was about 17.8 percent below the same period in the previous year. Exports to Canada, Alabama's largest trade partner, dropped from $2.9 billion to $2.1 billion for the first nine months of 2020. This decline is contributed to both the rhetoric about tariffs and a slowing international demand. Other major export destinations for Alabama products included China, Germany, Mexico, and Japan. For the first three quarters of 2020, transportation equipment exports totaled approximately $5.9 billion, down from $6.9 billion during the same period in 2019. Other major exports during the first three quarters of 2020 were chemicals, primary metals, mineral and ores, paper, machinery, computer and electronic products, and fabricated metal products.

Acknowledgments

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

Respectfully submitted,

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Alabama

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

PRINCIPAL STATE OFFICIALS

September 30, 2020

EXECUTIVE BRANCH

Kay Ivey
Governor

Will Ainsworth
Lt. Governor

John McMillan
State Treasurer

John H. Merrill
Secretary of State

Rick Pate
Commissioner of Agriculture

Steve Marshall
Attorney General

Jim Zeigler
State Auditor

JUDICIAL BRANCH

Tom Parker
Chief Justice of the Supreme Court

Justices of the Supreme Court
Michael F. Bolin
Greg Shaw
Alisa Kelli Wise
Tommy Bryan
William B. Sellers
Brady E. Mendheim, Jr.
Sarah H. Stewart
Jay Mitchell

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Senate President, Pro Tempore

Mac McCutcheon
Speaker of the House

Rachel Riddle
Examiners of Public Accounts

Othni J. Lathram
Legislative Services Agency

EXECUTIVE BRANCH DEPARTMENTS

Kelly Butler
Department of Finance

H. Mac Gipson
ABC Board

Greg Canfield
Department of Commerce

Jean Brown
Department of Senior Services

Michael E. Hill
State Banking Department

Chris Blankenship
Department of Conservation and Natural Resources

Lee Sentell
Department of Tourism and Travel

Dr. Barbara Cooper
Department of Early Childhood Education

Nichelle Nix
Office of Minority Affairs

Kenneth W. Boswell
ADECA

Major General Sheryl Gordon
State Military Department

Nancy Buckner
Department of Human Resources

Fitzgerald Washington
Department of Labor

Lynn Beshear
Department of Mental Health

Jim L. Ridling
Department of Insurance

Colonel Jeff Dunn
Department of Corrections

Brian Hastings
Emergency Management Agency

John R. Cooper
Department of Transportation

Marty Redden
Office of Information Technology

Stephanie Azar
Alabama Medicaid Agency

Vernon Barnett
Department of Revenue

Hal Taylor
Alabama Law Enforcement Agency

Voters of Alabama

LEGISLATIVE BRANCH

House of Representatives
The Senate
Legislative Services Agency

Examiners of Public Accounts

EXECUTIVE BRANCH

JUDICIAL BRANCH

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

Independent Agencies and Institutions

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

Governor

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

Other Elected Officials

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

State of Alabama
Department of
Examiners of Public Accounts
P.O. Box 302251, Montgomery, AL 36130-2251
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Telephone (334) 242-9200
FAX (334) 242-1775

Rachel Laurie Riddle
Chief Examiner

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama
Montgomery, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the State of Alabama as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain agencies and funds. These agencies and funds reflect the following percentages of total assets or deferred outflows and revenues or additions of the indicated opinion units:

Opinion Unit and Related Agencies/Funds Audited by Other Auditors	Percent of Opinion Unit's Total Assets/Deferred Outflows of Resources	Percent of Opinion Unit's Total Revenues/Additions
Governmental Activities: Alabama Public Health Care Authority	0.05%	0%
Business-Type Activities: Alabama Fire College & Personnel Standards Commission Alabama State Port Authority	51%	4%
Aggregate Discretely Presented Component Units: State Employees' Insurance Board Public Education Employees' Health Insurance Fund Alabama Housing Finance Authority Alabama Water Pollution Control Authority Alabama Drinking Water Finance Authority Space Science Exhibit Commission Athens State University Auburn University Jacksonville State University University of Alabama University of South Alabama University of Montevallo University of North Alabama	89%	86%
Proprietary/Enterprise Fund: Alabama State Port Authority	100%	100%
Aggregate Remaining Fund Information: Retirement Systems of Alabama Employees' Savings Plans (PEIRAF and RSA-1) Retired Education Employees' Health Care Trust Retired State Employees' Health Care Trust Prepaid Affordable College Tuition Program Alabama College Education Savings Plan Alabama Public Health Care Authority	88%	49%

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Retirement Systems of Alabama, the RSA Employees' Savings Plans (the Public Employees' Individual Retirement Account Fund and the RSA-1 Deferred Compensation Plan), the Public Education Employees' Health Insurance Fund, the State Employees' Insurance Board, the Retired Education Employees' Health Care Trust and the Retired State Employees' Health Care Trust were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with ***Government Auditing Standards***.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the State of Alabama's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Alabama's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the other Required Supplementary Information, listed in the accompanying table of contents, 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 and the other auditors 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 or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Alabama's basic financial statements. The accompanying supplementary information which includes the combining and individual fund statements and schedules, and the accompanying other information which includes the introductory and statistical sections, listed in the accompanying table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information (combining and individual fund statements and schedules) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information (introductory and statistical sections) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated March 31, 2021, on our consideration of the State of Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing 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 State of Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the State of Alabama's internal control over financial reporting and compliance.

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

March 31, 2021

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

The following is a narrative overview and analysis of the financial activities of the State of Alabama for the fiscal year ended September 30, 2020. Please consider the information presented here in conjunction with the letter of transmittal, which is located in the Introductory Section of this report, and the State's financial statements, which immediately follow this discussion and analysis.

Financial Highlights

- The State's net position increased by $1.3 billion during the fiscal year. The assets and deferred outflows of the State exceeded its liabilities and deferred inflows at the close of the fiscal year by $22.8 billion (net position). $21.1 billion was the net invested in capital assets, and $3.4 billion was Alabama Trust Capital.
- The State had a net pension liability of $3.7 billion for the primary government.
- The State had a net other post-employment liability (net OPEB liability) of $1.7 billion for the primary government.
- The Change in Net Position in governmental activities was an increase of $1.45 billion.
- Governmental activities have $5.2 billion in investments, $3.4 billion of which is held in the Alabama Trust Fund.
- Tax revenues for the primary government increased $441 million, or 4 percent, primarily as a result of new legislation for motor fuels taxes and use taxes.
- Income tax revenues increased $83 million, or 2 percent, primarily because of a modest increase in taxpayer personal income. Sales and use tax revenues increased $182 million, or 6 percent, primarily because of a change to the simplified sellers use tax law.
- Total revenues and total expenses increased. Revenues increased $5.26 billion or 21 percent while expenses increased $5 billion, or 22 percent.
- The business-type activities reported net position at year-end of $847 million, a decrease of $198 million, or 19 percent, for the fiscal year. The Unemployment Compensation Trust Fund cash was reduced by $292 million. The operating revenues for the State Port Authority decreased by 12 percent, largely as a result of an decreased demand for metallurgical coal and reduced receipts from general cargo and intermodal services.
- The State's total bond debt at the end of the fiscal year was $4.9 billion for the primary government, a decrease of $232 million.
- The State issued revenue bonds with a par value of $118.5 million and premiums of $32.2 million for infrastructure capital improvements.
- Capital Assets increased $230 million to $23.1 billion, which includes $20.4 billion in infrastructure assets.
- The Alabama Trust Fund balance increased by $105 million, or 3 percent, and now stands at $3.4 billion.
- The Alabama Trust Fund investment earnings increased from $184 million to $266 million.
- General Fund revenues increased slightly by $152 thousand, while expenditures increased $6 million.
- Education Trust Fund revenues increased $154 million, while expenditures only increased $391 million.
- On a budgetary basis, General Fund revenues and other sources exceeded expenditures and other uses by $548 million. However, on a GAAP (Generally Accepted Accounting Principles) basis, General Fund revenues and other sources exceeded expenditures and other uses by $194 million. The Budgetary Comparison Schedule in Required Supplementary Information reconciles these amounts and lists the accounting basis differences.
- The General Fund was not prorated and the Medicaid Agency has unexpended General Fund appropriations of $50 million to carry over to fiscal year 2021.
- Federal grants and reimbursements of $987 million were recognized in the Coronavirus Relief Fund.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental funds

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

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

The types of funds which are categorized as governmental funds are the General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Alabama Trust Fund, Education Trust Fund, Public Road and Bridge Fund, Public Welfare Trust Fund, Coronavirus Relief Fund, and Alabama Medicaid Fund, all of which are considered to be major funds. Data from the nonmajor governmental funds are combined into a single aggregated column on the basic financial statements. Individual fund data for each of the nonmajor governmental funds can be found in the combining and individual fund statements and schedules section of this report.

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

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

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

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

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

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

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

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The State's combined net position for governmental and business-type activities is $22.8 billion in contrast to the prior year balance of $21.5 billion. The largest component of the State's net position reflects its investment in capital assets, such as land, buildings, equipment, and infrastructure (e.g., roads, bridges, tunnels), less any related outstanding debt used to acquire those assets, plus capital-related deferred outflows of resources, less capital-related deferred inflows of resources. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Also, it should be noted that the resources needed to repay the capital-related debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Capital Assets increased $229.6 million, which included $182 million in increases to infrastructure and infrastructure construction in progress. Business-type capital assets increased $18 million, or 2.9 percent primarily due to a $20.2 million increase in the State Port Authority capital assets.

The total of Current and Other Assets is $14.3 billion, a moderate increase from the prior year. Included in that amount were cash and cash equivalents of $6.17 billion and $1.06 billion due from other governments. Approximately 37 percent of the amount due from other governments consists of loans to local school systems and most of the remaining amount is due from the federal government for amounts earned under federal programs. The balance also includes $5.4 billion in investments, $3.4 billion of which is held in the Alabama Trust Fund. Business-type Current and Other Assets decreased $210 million, or 19 percent, primarily because the Unemployment Compensation Trust Fund cash decreased by $292 million.

Of total liabilities, 77 percent are long-term liabilities. The State has $10.5 billion in long term liabilities, which includes $4.9 billion in bonds payable, $3.7 billion in net pension liability, and $1.7 billion in net other post-employment health care benefits (OPEB) liability. Total liabilities increased slightly by less than .02 percent, or $17 million. Bonds payable decreased by $232 million while the net OPEB liability decreased $1.2 billion and net pension liability increased $320 million. Bonds payable decreased as a result of debt service payments and premium amortizations. OPEB decreased primarily as a result of excluding the Affordable Care Act Health Insurer Fee, which was repealed December 2020.

Deferred Outflows of Resources is $715 million, an increase of $145 million . $391 million is pension related, $275 million is OPEB related, and $49 million is losses for bond refundings. Deferred Inflows of Resources is $1,690 million at the end of the current fiscal year, an increase of $787.5 million. The increase was related primarily to OPEB deferred inflows which increased $1 billion due to a reduction in OPEB liability. $50 million is pension related, $1,637 million is OPEB related, and $3 million is gains from bond refundings.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or legislative restrictions on how they may be used. Internally imposed designations of resources are not presented as restricted net position. The State's net position that is unrelated to capital assets includes $10.0 billion in restricted net position, an increase of $362 million from the prior year. Unrestricted net position represents the remaining amount of net position that may be used to meet the State's ongoing obligations that are not funded by resources that are restricted. The State has a deficit in unrestricted net position of $8.3 billion. Business-type activities had a deficit unrestricted net position of $6.1 million.

Net Position as of September 30
(Amounts in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	$ 13,435,449	$ 11,544,948	$ 896,224	$ 1,105,926	$ 14,331,673	$ 12,650,874
Capital Assets	22,444,746	22,233,190	636,135	618,105	23,080,881	22,851,295
Total Assets	35,880,195	33,778,138	1,532,359	1,724,031	37,412,554	35,502,169
Deferred Outflows of Resources	671,097	529,673	43,661	39,772	714,758	569,445
Long-term Liabilities	10,015,345	11,021,954	504,982	568,418	10,520,327	11,590,372
Other Liabilities	3,010,856	1,956,829	148,452	115,265	3,159,308	2,072,094
Total Liabilities	13,026,201	12,978,783	653,434	683,683	13,679,635	13,662,466
Deferred Inflows of Resources	1,614,048	867,307	76,073	35,273	1,690,121	902,580
Net Position						
Net Investment in Capital Assets	20,773,154	20,598,076	309,525	297,463	21,082,679	20,895,539
Restricted	9,459,541	8,876,409	530,848	751,669	9,990,389	9,628,078
Unrestricted	(8,321,652)	(9,012,764)	6,140	(4,285)	(8,315,512)	(9,017,049)
Total Net Position	$ 21,911,043	$ 20,461,721	$ 846,513	$ 1,044,847	$ 22,757,556	$ 21,506,568

Change in Net Position

The table on the following page was derived from the government-wide Statement of Activities. Revenue is categorized as either program revenue, which is generated by the program itself, or is received from another government, or general revenue. Program revenues include charges for services, operating grants and contributions, and capital grants and contributions. As a result of the excess of revenues over expenses, the State's net position increased by $1.3 billion during the fiscal year. Taxes provided $10.6 billion, or 35 percent, of the State's total revenue. Tax revenues increased by $441 million, or 4 percent, compared to the previous year primarily as a result of new legislation for motor fuels taxes and use taxes. $83 million of the increased revenue was income taxes, which was up 2 percent primarily because of a modest increase in taxpayer personal income. Sales and use taxes increased $182 million, or 6 percent, primarily because of a change to the simplified sellers use tax law. Operating Grants and Contributions revenue increased $3.7 billion, or 40 percent to $13 billion. Federal revenues increased $438 million for the Medicaid program primarily because of a temporary 6.2 percentage point increase in the federal medical assistance percentage (FMAP) during the COVID-19 public health emergency. Capital Grants and Contributions decreased $115 million to $ 1 billion. Charges for Services revenue increased $44.3 million, or 1.6 percent.

General revenues were up to $13.17 billion, an increase of $1.59 billion. Grants and contributions not restricted to specific programs, which are included in general revenues, increased by $987 million because of federal grants from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Unrestricted investment earnings were $319 million, a increase of $72 million. Total revenues increased more than expenses because of new tax legislation and CARES Act grants. Total revenues increased $5.3 billion, or 21 percent, and total expenses were up $5.2 billion, or 22 percent.

Governmental Activities

Total revenues for governmental activities for the fiscal year were $26.3 billion, an increase of $ 2.3 billion or 9.7 percent. Charges for Services increased by $39 million. Operating Grants and Contributions increased $826 million, or 9 percent, primarily because of additional federal funding related to the COVID-19 pandemic. Unrestricted Investment Earnings were up $72 million. Taxes increased $440 million, or 4.4 percent, compared to the previous year primarily as a result of new legislation for motor fuels taxes and use taxes. Capital Grants and Contributions decreased $123 million, or 11 percent.

Expenses for governmental type activities totaled $24.5 billion, an increase of $1.6 billion or 7 percent. Education and Cultural Resources spending increased $531 million, or 7 percent. Included in Education and Cultural Resources spending were increases in the local financial assistance program, support of state universities, support of two year colleges, and COVID-19 related expenditures of $86 million, $69 million, $27 million and $185 million, respectively. Expenditures for Health increased $170 million, or 2 percent, as the Hospital Care program increased by $61 million, the Integrated Care Network (ICN) increased $35 million, and the Health Support program increased $22 million. Protection of Persons and Property increased $361 million, or 27 percent, primarily because of COVID-19 pandemic related expenditures. Transportation increased $14 million, or 1 percent. Natural Resources and Recreation spending increased $9 million, or 6 percent. Social Services spending increased $467 million, or 21 percent, of which $398 million was related to the COVID-19 pandemic.

Business-type Activities

The largest business-type activity is the Alabama Unemployment Compensation Trust Fund, which accounts for 59 percent of business-type net position. The other major business-type activities are the Alabama Port Authority and the Alcoholic Beverage Control Board. During the fiscal year the net position of business-type activities decreased by $198 million, or 19% percent. The main driver of the decrease is the large increase in Unemployment Compensation expenditures due to the Coronavirus Pandemic. Revenues of business-type activities increased by $2.9 billion. The overwhelming majority of this increase is due to the amount of federal revenues from Operating Grants and Contributions in to the Unemployment Compensation Trust Fund for Coronavirus relief. Operating Grants and Contributions increased $2.9 billion. Self-generated program revenues accounted for the majority of the revenues other than Operating Grants and Contributions. Only $21 million of the $903 million in revenues other than Operating Grants and Contributions came from general revenues. The program revenues consisted of $874 million of charges for services, an increase of $5.4 million, or 1 percent. Capital Grants and Contributions were $7.5 million; there were no Capital Grants and Contributions in 2019. Of the $330 million in net transfers between governmental activities and business-type activities, most of the transfers are related to Coronavirus Relief; the Alcoholic Beverage Control Board transferred $56 million as mandated by law.

Overall business-type expenses were $4.3 billion, an increase of $3.6 billion. Again, the vast majority of the increase was due to expenditures related to Coronavirus Relief through the Unemployment Compensation Trust Fund. The Alcoholic Beverage Control Board expenses increased $26 million, or 7 percent. This increase was due to an increase in expenses associated with supplies, materials, and operating expense. State Port Authority's expenses decreased by $5.3 million, or 4 percent, mainly

because of a decrease in year over year expenditures related to operation and maintenance of facilities. The Alabama Unemployment Compensation Trust Fund expenses were up $3.6 billion. The cash balance in the Unemployment Compensation Trust Fund shrunk by $292 million due to the outsized increase in Unemployment Compensation expenditures related to Coronavirus Relief. Nonmajor Proprietary Funds expenses were up $28 million, or 34 percent. This increase is due to a near doubling of expenses related to Claims and Benefits in the State Insurance Fund because of damages sustained to properties during Hurricane Sally.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	$ 1,996,856	$ 1,957,928	$ 874,244	$ 868,842	$ 2,871,100	$ 2,826,770
Operating Grants and Contributions	10,110,656	9,284,376	2,912,623	3,163	13,023,279	9,287,539
Capital Grants and Contributions	1,038,188	1,160,688	7,539	—	1,045,727	1,160,688
General Revenues:						
Taxes	10,554,503	10,114,268	14,513	13,780	10,569,016	10,128,048
Grants and Contributions Not Restricted to Specific Programs	989,614	2,687	—	—	989,614	2,687
Unrestricted Investment Earnings	318,707	247,140	—	—	318,707	247,140
Miscellaneous	1,284,656	1,200,645	6,602	107	1,291,258	1,200,752
Total Revenues	26,293,180	23,967,732	3,815,521	885,892	30,108,701	24,853,624
Expenses:						
Economic Development and Regulation	159,098	153,261			159,098	153,261
Education and Cultural Resources	8,470,534	7,939,340			8,470,534	7,939,340
Natural Resources and Recreation	157,192	148,015			157,192	148,015
Health	8,048,514	7,878,317			8,048,514	7,878,317
Social Services	2,720,396	2,253,620			2,720,396	2,253,620
Protection of Persons and Property	1,688,055	1,327,332			1,688,055	1,327,332
Transportation	1,700,982	1,687,336			1,700,982	1,687,336
General Government	1,413,374	1,351,633			1,413,374	1,351,633
Debt Service - Interest and Other Charges	155,912	169,286			155,912	169,286
Unemployment Compensation			3,709,041	150,097	3,709,041	150,097
State Port Authority			146,232	151,565	146,232	151,565
Alcoholic Beverage Control Board			377,370	351,058	377,370	351,058
Nonmajor Proprietary Funds			111,013	82,759	111,013	82,759
Total Expenses	24,514,057	22,908,140	4,343,656	735,479	28,857,713	23,643,619
Increase (Decrease) in Net Position Before Transfers	1,779,123	1,059,592	(528,135)	150,413	1,250,988	1,210,005
Transfers	(329,801)	67,777	329,801	(67,777)	—	—
Change in Net Position	1,449,322	1,127,369	(198,334)	82,636	1,250,988	1,210,005
Net Position- Beginning, as restated	20,461,721	19,334,352	1,044,847	962,211	21,506,568	20,296,563
Net Position- Ending	$ 21,911,043	$ 20,461,721	$ 846,513	$ 1,044,847	$ 22,757,556	$ 21,506,568

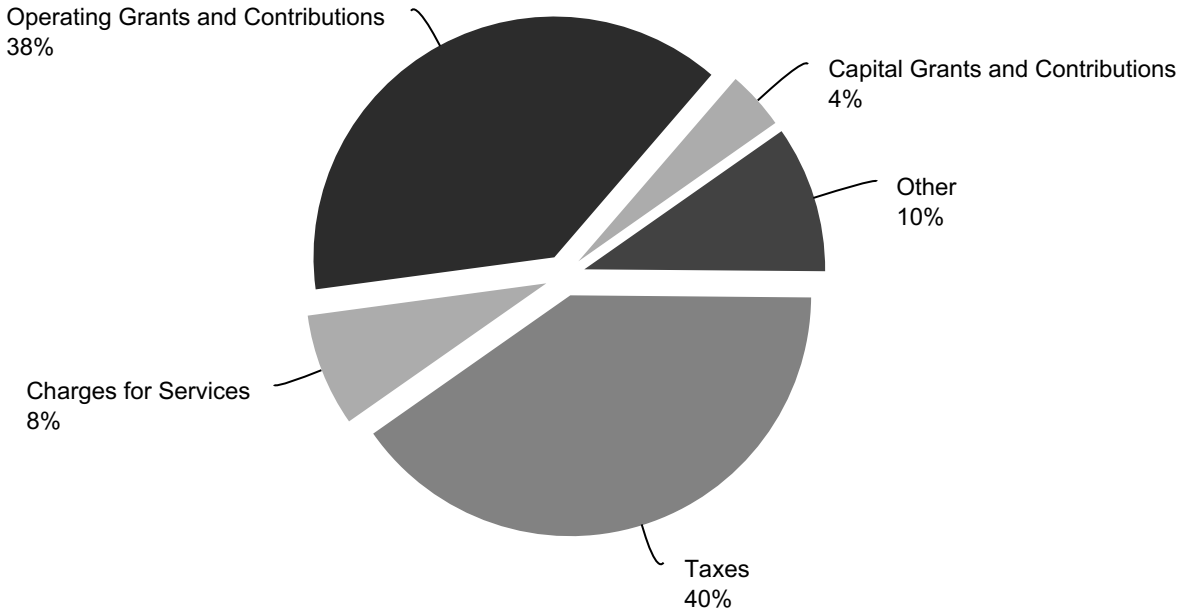
Governmental Activities

Operating grants and contributions along with taxes together accounted for 82 percent of governmental activities revenue. Taxes are the largest, making up 40 percent of total governmental revenues, while operating grants and contribution make up 38 percent.

Income taxes are 45 percent of the total taxes recorded in governmental activities. Sales and use taxes comprise 30 percent of taxes in governmental activities. Income taxes brought in $4.8 billion and sales and use taxes $3.2 billion. Income taxes increased $83 million, or 2 percent, while sales and use taxes increased $182 million, or 6 percent.

Capital grants and contributions are 4 percent of revenues. The Department of Transportation received 92 percent of all capital grants and contributions, primarily for road and bridge related projects. About 96 percent of operating grants and 88 percent of the capital grants were received from the Federal government.

Revenues - Governmental Activities
Fiscal Year Ended September 30, 2020



Expenses for governmental activities are grouped by functional area. The two largest functional areas were Education and Cultural Resources, and Health. These two areas together accounted for 68 percent of the governmental activities expenses for the fiscal year. Social Services accounted for 11 percent of the governmental activities expenses.

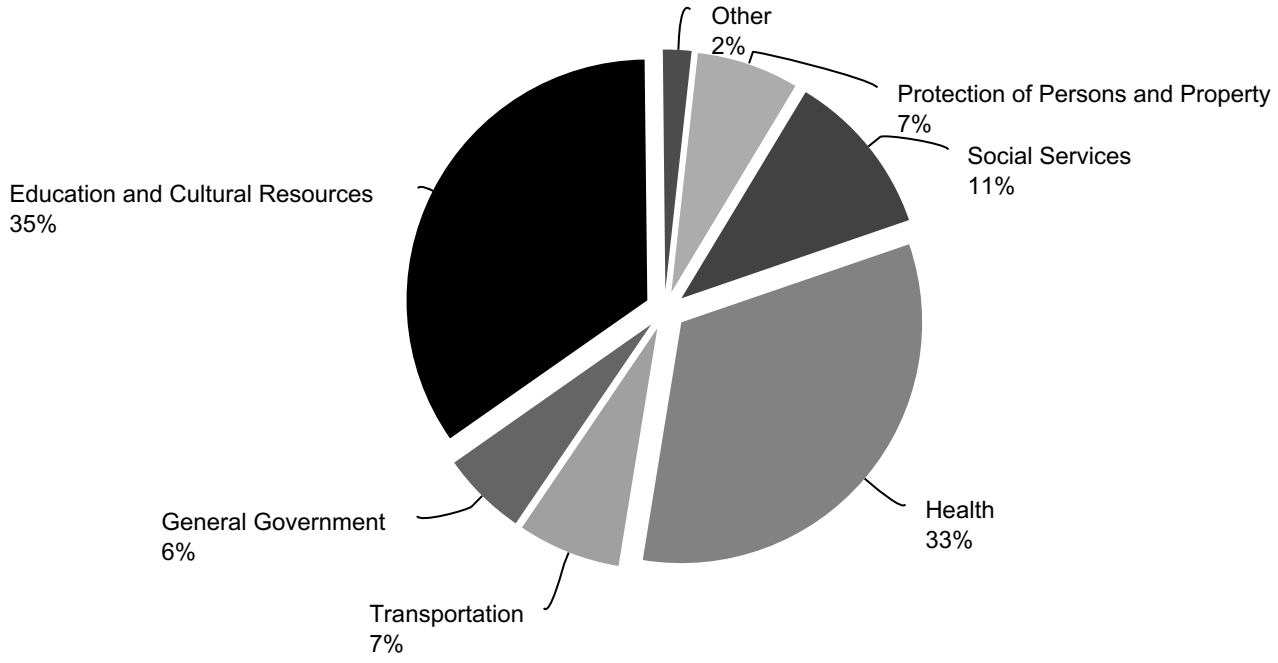
Education and Cultural Resources make up 35 percent of governmental activity expenses, the same as the previous year. Transportation decreased to 7 percent and Social Services increased to 11 percent of total expenses, respectively. Within Education and Cultural Resources, 69 percent of expenditures were for the Local Financial Assistance program for K-12 school systems and 13 percent was for the Support of State Universities program. Local Financial Assistance increased $86 million, or 2 percent, and Support for State Universities increased $69 million, or 6 percent.

Health accounted for 33 percent of governmental activity spending, a decrease of 2 percent from the previous year. Medicaid programs account for 78 percent of Health spending, while the Department of Public Health was 9 percent and the Department of Mental Health was 11 percent.

Within Social Services, spending on the Food Assistance program makes up 41 percent of all social services spending while 21 percent is spent on various children's programs. Spending on Food Assistance was down $7.7 million, or 1 percent.

Protection of Persons and Property increased from 6 percent to 7 percent of total spending. The Department of Corrections makes up 35 percent of Protection of Persons and Property spending, while the Alabama Law Enforcement Agency comprises 15 percent and the 911 Board 7 percent.

Expenses - Governmental Activities
Fiscal Year Ended September 30, 2020



Financial Analysis of the State's Funds

Governmental Funds

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

At the end of the fiscal year, the governmental funds reported combined ending fund balances of $9.7 billion. Nonspendable fund balance was $148 million and assigned fund balance was $78 million. Spending restricted for specific purposes comprised $8.6 billion. Those restrictions have been imposed by external parties, constitutional provisions, or enabling legislation. The largest restricted amount of $3.4 billion is for Alabama Trust Capital. The Alabama Trust Fund originally was a permanent fund, but is now a special revenue fund because of Amendment 666 and Amendment 856 to the Constitution of Alabama of 1901 which allow limited spending of principal. An additional $5.2 billion of governmental fund balance has been restricted for a wide variety of purposes which includes $553 million restricted for various capital projects and debt service.

The General Fund is the primary operating fund of the State. At the end of the current fiscal year, unassigned fund balance of the General Fund was $887 million, $5 million nonspendable fund balance, and $5.8 million assigned fund balance. Revenues for the General Fund were up $152 million, or 8 percent. Taxes increased $167 million. The largest increases in tax revenues to the General Fund were $67 million in simplified sellers use tax and $46 million in insurance premium tax. New legislation increased the simplified sellers use tax and changed the distribution of the insurance premium tax. The fund balance for the General fund increased by $196 million primarily because of the increase in revenues. Also, the General Fund cash increased by $169 million because of the growth in revenue.

Expenditures for the General Fund increased $6 million, or less than 1 percent. Health expenditures decreased $80 million, or 9.7 percent, because more Medicaid expenditures were paid out of the Medicaid Fund and less out of the General Fund as a result of the increase in the FMAP. Medicaid Agency expenditures were 96 percent of the health expenditures in the General Fund. Nursing Home Care decreased $60 million and Physician Care decreased $17 million. Spending on General Government in the General Fund increased $56 million. Judicial Operations increased by $42 million while Prosecution Services stayed the same. Protection of Persons and Property expenditures increased $32 million. The largest spending for Protection of Persons and Property in the General Fund was $488 million for the Department of Corrections, the same as the previous year.

The Education Trust Fund (ETF) is the largest operating fund of the State. Revenues credited to the ETF are used for the support, maintenance and development of public education in Alabama, debt service and capital improvements relating to educational facilities, and other functions related to educating the state's citizens. Programs and agencies supported by the ETF include K-12 education, public library services, performing and fine arts, various scholarship programs, the state's education regulatory departments, and two-year and four-year colleges and universities. Funding from the ETF is also provided to non-state agencies that provide educational services to the people of Alabama, including the arts, disease counseling and education, and youth development. Ten tax sources are allocated to the ETF, the largest of which are the individual and corporate income tax, sales tax, utility tax, and use tax. Tax revenues in the ETF for the fiscal year were up $154 million, or 2 percent as compared to the previous fiscal year. Sales and use tax revenues increased by $94 million and income tax revenues were up by $79 million while mobile telecommunications tax decreased $2 million. Expenditures, as limited by the budget, were up 6 percent, or $391 million. A large portion of the increase, $86 million, was in the Local Financial Assistance program with several smaller programs decreasing during the year. The ETF transferred out $1.20 billion, with $515 million going to supplement operations of the ETF Advancement and Technology Fund, a Nonmajor Special Revenue fund. PACT received $61 million in transfers as mandated by the legislature in the appropriations acts. Due to Other Funds in the ETF is $5 million, a decrease of $6 million from the prior year. The ETF fund balance decreased $233 million to a balance of $817 million, as cash and cash equivalents decreased $247 million. The fund balance, while legally restricted to a variety of educational purposes, is all available for those purposes in the next fiscal year.

The Alabama Trust Fund consists of income from the sale or lease of rights for offshore exploration and drilling for oil and gas off the Alabama coast, as well as investment income earned on the accumulated capital. Revenues from royalties and other payments related to the production of oil and gas decreased by $16 million during the fiscal year. Investment earnings increased from $184 million to $266 million during the fiscal year. Various amendments to the Constitution of Alabama of 1901 require that Alabama Trust income be used to support the General Fund, Forever Wild Land Trust, and a variety of state and local capital projects as well as debt service. In compliance with constitutional requirements, $191 million was transferred out to support these

other funds. Transfers to the General Fund were $115 million. During the fiscal year, the amount constitutionally restricted for Trust Capital stayed approximately the same as the prior year.

The Medicaid Fund accounts for the portion of the Medicaid program that is funded 91% percent by Federal revenues. Federal revenues increased 9 percent, or $438 million, primarily because of a temporary 6.2 percentage point increase in the FMAP during the COVID-19 public health emergency. Expenditures increased 5 percent or $251 million. Hospital Care increased $60 million, Health Support increased $22 million, Physician Care increased $47 million, Nursing Home Care increased $103 million, and the Children's Health Insurance Plan (CHIP) decreased $16 million. The net change in fund balance for Medicaid was a $176 million increase, bringing the total fund balance $160 million.

The Public Road and Bridge Fund is the general operating fund of the Department of Transportation (DOT). The Fund receives all state revenues for that department, including all federal aid reimbursements. Amendment No. 93 (as amended by Amendment No. 354) to the Constitution of Alabama of 1901 provides that monies derived from any fee, excise or license taxes levied by the State on motor fuels shall be expended for the cost of construction, reconstruction, maintenance and repair of public highways and bridges; the cost of highway rights-of-way; the payment of highway obligations; the cost of traffic regulations; and the expense of enforcing state traffic and motor vehicle laws. Revenues from federal grants were 62 percent of fund revenues while gasoline and motor fuel taxes were 25 percent. Federal revenues decreased $150 million, or 14 percent. Expenditures decreased $90 million, or 5 percent, because of fewer State infrastructure improvements. Of the $372 million fund balance, $44 million is in inventory of materials on hand and $328 million is restricted to cover existing construction and maintenance contracts. The Public Road and Bridge Fund retains enough cash to cover its outstanding construction contracts and commitments, so that fund historically has a large fund balance.

The Public Welfare Trust Fund is used to account for a broad range of social, protective, and financial assistance programs for citizens. This is the major operating fund of the Department of Human Resources. Revenues from federal funds comprise 89 percent of total revenues, and is supplemented by the whiskey tax and a portion of the Alabama Alcoholic Beverage Control Board profits, sales tax, franchise tax, and beer tax. Overall spending increased $463 million, or 26 percent, of which $429 million was related to the COVID-19 pandemic. The Food Assistance program accounts for 49 percent of total expenditures. The fund balance at year end is $120 million, an increase of $39 million. The fund balance, while legally restricted to a variety of social service programs, is all available for those programs in the next fiscal year.

The Coronavirus Relief Fund was established this year as a result of the CARES Act. Revenues for the year were $987 million which was all Federal Grants and Reimbursements. The Fund's expenditures total $599 million, of which $395 million, or 66 percent, was for Protections of Persons and Property. Education and Cultural Resources accounted for $76 million, or 13 percent of the expenditures. Health expenditures for the Fund totaled 10 percent at $61 million. The Fund also had unearned revenue of $799 million at year end. Transfers out were $388 million of which $385 million was to the Unemployment Compensation Trust Fund.

Proprietary Funds

The State's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. During the fiscal year, total net position for all enterprise funds decreased by $198 million.

The Unemployment Compensation Trust Fund has been significantly impacted by the effects of Operating Grants and Contributions and expenditures related to Coronavirus Relief, which negatively impacted its financial condition. The net position decreased in 2020 by $216 million, whereas in 2019 net position increased by $75 million. The minimum employer rate remained at 0.00065 and the maximum employer rate remained at 0.0068 for the employer shared cost. Revenues increased sharply in 2020 as compared to 2019 due to an increase in Operating Grants and Contributions of $2.9 billion related to Coronavirus Relief. There was a $23 million decrease in the amount of Federal Unemployment Compensation premiums received in 2020 compared to 2019 because of decreased economic activity due to the pandemic. Federal Unemployment Compensation Drawdown programs were greatly increased by $2.6 billion year over year. Benefits paid increased $3.4 billion. The trust fund cash decreased from $722 million to $429 million; net position now stands at $499 million; net position was $715 million in 2019.

The net position of the State Port Authority is $338 million, an increase of $25 million. Operating revenues were $140 million, a decrease of $18 million, or 12 percent over the prior year, resulting largely from a decreased demand for metallurgical coal as well as a decrease in general cargo and intermodal services. Revenue at the Authority's McDuffie Coal Terminal decreased by $12 million, or 16 percent; general cargo and intermodal services revenues decreased $5 million, or 14 percent. Additionally, the allocation of energy port funds were $1.4 million compared to $2.9 million in 2019. The Terminal Railway revenues were down

approximately 1 percent, a result of the decreased metallurgical coal volume, general switching activities, and capital assessment decreases.

The net position of the Alcoholic Beverage Control Board increased by $3.5 million in fiscal year 2020. The deficit in net position decreased from $152 million to $149 million. The Board is required by law to distribute all of its profits and cannot own real property; therefore, net position generally will remain a negative amount. Non-current liabilities, such as compensated absences of $6 million, net other post-employment benefits (OPEB) liability of $46 million, net pension liability of $62 million, and some of the current liabilities are not deducted from the distribution amount. These non-current liabilities and related deferred outflows of resources and deferred inflows of resources decreased in 2020, resulting in the slight increase in net position.

Budgetary Highlights

General Fund

The original budget for the General Fund was increased by a net of $50 million during fiscal year 2020. Expenditures increased by $25 million and Transfers Out increased by $25 million. These budgetary changes are reflected in the final budget on the Budgetary Comparison Schedule. The General Fund was not prorated during fiscal year 2020. Budgeted revenues were increased by $43 million and actual tax revenues were $285 million more than the final budget because of increases in collections of taxes.

There were significant budgetary variances between the final budget and actual results. Unexpended and reverted appropriations from fiscal year 2020 were re-appropriated to fiscal year 2021; therefore, many agencies did not spend all of their appropriations during fiscal year 2020. The Medicaid Agency and Public Health have $50 million and $4 million, respectively to carryover to fiscal year 2021. The Department of Corrections and the Department of Economic and Community Affairs have carryovers of approximately $42 million and $13 million, respectively. These appropriations will be needed in the future primarily because expenditures are expected to increase.

Supplemental appropriations were $26 million. Supplemental appropriations of $11 million were distributed to the Department of Finance for implementation costs for replacement of the State's human resource management and payroll system. $5 million was appropriated to the General Fund Budget Reserve Fund for initial funding purposes. The District Attorneys received a $5 million supplemental appropriation to allocate to the several judicial circuits. Conditional and other appropriations were approximately $31 million to various agencies. Conditional appropriations of $22 million were distributed to the Medicaid Agency for hospital inpatient and outpatient services. The Legislative Services Agency received a conditional appropriation of $4 million for a legislative bill drafting system. Conditional amounts are not included in the budget until the conditions have been met. Some expenditures are required by law to be fully funded, and estimated amounts are approved in the General Fund appropriation bill. Increases to these estimated amounts do not require a new bill and are included as other appropriations. Emergency appropriations of $7 million are included in the original budget and are included in the budgeted amounts as Other on the Budgetary Comparison Schedule. Emergency appropriations cannot exceed two percent of the total amount appropriated. On a budgetary basis, General Fund revenues and other sources exceeded expenditures and other uses by $548 million. However, on a GAAP (Generally Accepted Accounting Principles) basis, General Fund revenues and other sources exceeded expenditures and other uses by $194 million. The Budgetary Comparison Schedule in Required Supplementary Information reconciles these amounts and lists the accounting basis differences.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2020 the State invested $23.1 billion, net of accumulated depreciation, in a broad range of capital assets (see the table below). Depreciation charges for the fiscal year totaled $142.1 million.

Capital Assets as of September 30

(Amounts in Thousands)	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Capital Assets Not Being Depreciated:						
Land	$ 445,681	$ 404,713	$ 77,054	$ 77,079	$ 522,735	$ 481,792
Historical Exhibits	4,127	4,127	2,350	2,350	6,477	6,477
Construction In Progress	81,303	251,944	35,485	48,722	116,788	300,666
Intangible Assets Under Development	—	—	4,322	—	4,322	—
Construction In Progress - Infrastructure	2,455,107	2,602,252	—	—	2,455,107	2,602,252
Infrastructure	17,902,707	17,573,482	—	—	17,902,707	17,573,482
Inexhaustible Intangible Assets	—	—	10	10	10	10
Total Capital Assets Not Being Depreciated	**20,888,925**	**20,836,518**	**119,221**	**128,161**	**21,008,146**	**20,964,679**
Capital Assets Being Depreciated:						
Buildings	2,073,563	1,869,273	734,064	687,267	2,807,627	2,556,540
Equipment	806,513	777,528	407,177	399,569	1,213,690	1,177,097
Software and Other Intangible Assets	96,448	96,448	10,848	10,848	107,296	107,296
Total Capital Assets Being Depreciated	2,976,524	2,743,249	1,152,089	1,097,684	4,128,613	3,840,933
Less Accumulated Depreciation	1,420,703	1,346,577	635,175	607,740	2,055,878	1,954,317
Total Capital Assets Being Depreciated, Net	**1,555,821**	**1,396,672**	**516,914**	**489,944**	**2,072,735**	**1,886,616**
Capital Assets, Net	**$ 22,444,746**	**$ 22,233,190**	**$ 636,135**	**$ 618,105**	**$ 23,080,881**	**$ 22,851,295**

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

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

The State uses the International Roughness Index (IRI) to measure and monitor pavement conditions. The IRI is a standard representing the perceived smoothness of pavements while traveling in passenger cars. A lower IRI measurement represents a smoother condition of pavement. The United States Department of Transportation developed suggested values for IRI of <60 inches/mile to >220 inches/mile to grade the smoothness condition of the roadway. A range of 60 to 94 is considered "Good" condition, with negligible maintenance required, and a range of 95-119 for Interstate Highways or 95-170 for non-interstate highways is considered "Fair", requiring routine maintenance such as pavement patching. The weighted average rating of Alabama's roads was 74.21, which exceeds the State's goal.

The State maintains 5,414 bridges and culverts. The State rates the major structural components and deck area of the bridge or culvert on a scale of one to ten and assigns a weighted rating to the bridge or culvert. The State expects those bridges and

culverts to be maintained at a rating within the range of 5 or better, which is considered "satisfactory" or better meaning the structural elements are sound but have minor deterioration. The actual weighted average rating for the most recent condition assessment was 6.45, in the upper end of the satisfactory range.

For fiscal years 2020 and 2019, the State estimated it would need to spend $414 million and $383 million respectively, to preserve and maintain all roadway assets and $10 million in each year to preserve all bridge assets at or above the "Established Condition Levels" presented above. In fiscal year 2020, the State spent $448 million for roadway preservation and $295 million for bridge preservation. The State spent $537 million for roadway preservation and $349 million for bridge preservation in fiscal year 2019. In the next fiscal year, the Alabama Department of Transportation estimates that it will need to spend approximately $426 million to preserve all roadway assets and approximately $10 million to preserve all bridge assets at or above the "Established Condition Levels" presented above.

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

Long-term Debt

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

Outstanding Bonded Debt as of September 30

(Amounts in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	$ 645,508	$ 722,855	$ —	$ —	$ 645,508	$ 722,855
Revenue Bonds	3,958,647	4,096,310	337,677	354,230	4,296,324	4,450,540
Total	$ 4,604,155	$ 4,819,165	$ 337,677	$ 354,230	$ 4,941,832	$ 5,173,395

The State issued $151 million in Alabama Highway Finance Corporation bonds (including premiums) to fund transportation and infrastructure related projects.

Economic Factors and Next Year's Budgets and Rates

The General Fund budget was increased from fiscal year 2020 to 2021. The Department of Corrections received an appropriation increase of $45 million and the Department of Mental Health received an increase of $70 million. The Department of Public Health received an increase of $38 million and the Medicaid Agency received an increase of $94 million.

The total ETF budget for fiscal year 2021 is $7.56 billion. The K-12 Local Boards of Education received an appropriation increase of $17 million for fiscal year 2021 over fiscal year 2020 from the Education Trust Fund. The four-year Universities received an increase of $30 million. The appropriations to the ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund decreased by $297 million and $273 million, respectively. However, $302 million of the fiscal year 2020 appropriation to the ETF Budget Stabilization Fund was a repayment.

Total tax collections are up approximately 7.5 percent for the first five months of fiscal year 2021 as compared to fiscal year 2020 . The State's seasonally adjusted unemployment rate, at 3.9 percent in December 2020, was down from the November 2020 revised rate of 4.4 percent, and above the December 2019 rate of 2.7 percent. The number of employed workers decreased from December 2019 to December 2020 from 2,190,000 to 2,150,000.

Requests for Information

This financial report is designed to provide a general overview of the State of Alabama's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Office of the State Comptroller, Financial Reporting Section, RSA Union Building, 100 North Union Street, Suite 298, Montgomery, AL 36130-2602.

STATE OF ALABAMA

STATEMENT OF NET POSITION

September 30, 2020

(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
ASSETS				
Cash and Cash Equivalents	$ 5,622,298	$ 543,816	$ 6,166,114	$ 2,468,495
Investments	5,211,739	169,463	5,381,202	9,553,764
Internal Balances	(60,845)	60,845	—	—
Due From Primary Government	—	—	—	20,893
Due From Component Units	56,650	10	56,660	—
Investment Sales Receivable	41,617	—	41,617	
Accounts Receivable	114,681	28,098	142,779	1,177,562
Taxes Receivable	1,204,409	—	1,204,409	—
Due From Other Governments	1,053,719	3,410	1,057,129	693,502
Mortgages, Notes, and Loans Receivable	68	—	68	859,310
Securities Lending Collateral	134,874	—	134,874	8,239
Inventory	54,660	47,703	102,363	61,335
Restricted Assets	1,412	—	1,412	59,321
Other Assets	167	42,879	43,046	410,037
Capital Assets, Net of Accumulated Depreciation	1,555,821	516,914	2,072,735	8,939,303
Capital Assets Not Depreciated	20,888,925	119,221	21,008,146	1,140,042
TOTAL ASSETS	**35,880,195**	**1,532,359**	**37,412,554**	**25,391,803**
DEFERRED OUTFLOWS OF RESOURCES	**671,097**	**43,661**	**714,758**	**1,232,355**
LIABILITIES				
Warrants Payable	43,177	977	44,154	61
Investment Purchases Payable	39,782	—	39,782	—
Due To Primary Government	—	—	—	56,660
Due To Component Units	20,893	—	20,893	—
Accounts Payable	1,071,275	96,440	1,167,715	1,032,117
Due To Other Governments	380,744	4,360	385,104	195,668
Securities Lending Obligation	134,874	—	134,874	8,239
Unearned Revenue	803,559	751	804,310	1,191,176
Amounts Held in Custody for Others	125,248	85	125,333	429,508
Noncurrent Liabilities:				
Due Within One Year	391,304	45,839	437,143	463,132
Due In More Than One Year	10,015,345	504,982	10,520,327	10,920,932
TOTAL LIABILITIES	**13,026,201**	**653,434**	**13,679,635**	**14,297,493**
DEFERRED INFLOWS OF RESOURCES	**1,614,048**	**76,073**	**1,690,121**	**1,807,545**
NET POSITION				
Net Investment in Capital Assets	20,773,154	309,525	21,082,679	5,683,713
Restricted for:				
Permanent - Expendable	—	—	—	1,085,679
Permanent - Non-expendable	97,703	—	97,703	2,203,264
Unemployment Compensation	—	499,025	499,025	—
Alabama Trust Capital	3,397,177	—	3,397,177	—
Economic Development and Regulation	242,728	—	242,728	—
Education	2,204,343	1,975	2,206,318	—
Natural Resources and Recreation	201,889	—	201,889	—
Health	681,162	—	681,162	—
Social Services	430,251	—	430,251	—
Protection of Persons and Property	261,644	—	261,644	—
Transportation	528,587	—	528,587	—
General Government	842,110	—	842,110	—
Debt Service	256,614	29,166	285,780	1,255,295
Capital Projects	315,333	682	316,015	53,996
Other Purposes	—	—	—	261,579
Unrestricted	(8,321,652)	6,140	(8,315,512)	(24,406)
TOTAL NET POSITION	**$ 21,911,043**	**$ 846,513**	**$ 22,757,556**	**$ 10,519,120**

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

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

		PROGRAM REVENUES		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
Economic Development and Regulation	$ 159,098	$ 99,560	$ 62,538	$ 296
Education and Cultural Resources	8,470,534	38,692	1,004,167	73,306
Natural Resources and Recreation	157,192	116,297	76,289	30
Health	8,048,514	542,733	6,317,576	7,420
Social Services	2,720,396	55,073	2,237,128	—
Protection of Persons and Property	1,688,055	408,964	131,045	683
Transportation	1,700,982	240,045	42,630	956,391
General Government	1,413,374	495,492	239,283	62
Debt Service - Interest and Other Charges	155,912	—	—	—
Total Governmental Activities	**24,514,057**	**1,996,856**	**10,110,656**	**1,038,188**
Business-type Activities:				
Unemployment Compensation	3,709,041	206,462	2,911,260	—
State Port Authority	146,232	140,217	—	7,539
Alcoholic Beverage Control Board	377,370	422,076	—	—
Nonmajor Proprietary Funds	111,013	105,489	1,363	—
Total Business-type Activities	4,343,656	874,244	2,912,623	7,539
Total Primary Government	**28,857,713**	**2,871,100**	**13,023,279**	**1,045,727**
Component Units:				
University of Alabama	5,483,802	4,206,564	985,532	82,840
Auburn University	1,270,337	753,165	276,675	14,533
University of South Alabama	926,354	766,762	43,932	6,631
Public Education Employees Health Insurance	976,817	1,065,113	97	—
Alabama Community College System	807,626	175,101	296,506	2,617
Nonmajor Component Units	1,661,272	997,956	375,678	4,676
Total Component Units	**11,126,208**	**7,964,661**	**1,978,420**	**111,297**

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

Contributions to Permanent Funds and Endowments

Transfers

Total General Revenues, Contributions and Transfers

Change in Net Position

Net Position, October 1, 2019, as Restated

Net Position, September 30, 2020

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total Primary Government	Component Units
$ 3,296	$ 0	$ 3,296	$ 0
(7,354,369)	—	(7,354,369)	—
35,424	—	35,424	—
(1,180,785)	—	(1,180,785)	—
(428,195)	—	(428,195)	—
(1,147,363)	—	(1,147,363)	—
(461,916)	—	(461,916)	—
(678,537)	—	(678,537)	—
(155,912)	—	(155,912)	—
(11,368,357)	**0**	**(11,368,357)**	**0**
—	(591,319)	(591,319)	—
—	1,524	1,524	—
—	44,706	44,706	—
—	(4,161)	(4,161)	—
0	(549,250)	(549,250)	0
(11,368,357)	**(549,250)**	**(11,917,607)**	**0**
—	—	—	(208,866)
—	—	—	(225,964)
—	—	—	(109,029)
—	—	—	88,393
—	—	—	(333,402)
—	—	—	(282,962)
0	**0**	**0**	**(1,071,830)**
3,185,463	—	3,185,463	—
4,773,225	—	4,773,225	—
770,333	—	770,333	—
582,450	—	582,450	—
437,752	—	437,752	—
406,646	—	406,646	—
222,597	14,513	237,110	—
176,037	—	176,037	—
—	—	—	1,784,745
989,614	—	989,614	313
318,707	—	318,707	252,406
1,284,656	6,602	1,291,258	82,526
—	—	—	57,465
(329,801)	329,801	—	—
12,817,679	**350,916**	**13,168,595**	**2,177,455**
1,449,322	**(198,334)**	**1,250,988**	**1,105,625**
20,461,721	1,044,847	21,506,568	9,413,495
$ 21,911,043	**$ 846,513**	**$ 22,757,556**	**$ 10,519,120**

BALANCE SHEET
Governmental Funds
September 30, 2020

(Amounts in Thousands)

	General Fund	Education Trust Fund	Alabama Trust	Medicaid Fund	Public Road and Bridge Fund
ASSETS					
Cash and Cash Equivalents	$ 749,684	$ 464,555	$ 7,522	$ 260,077	$ 283,238
Investments	—	—	3,417,320	—	23,480
Due From Other Funds	22,865	1,241	—	16,653	417
Due From Component Units	—	—	—	—	5
Investment Sales Receivable	—	—	39,990	—	—
Accounts Receivable	3,371	53	12,510	—	7,960
Taxes Receivable	337,380	401,103	—	—	29,730
Due From Other Governments	1	345	—	330,612	157,561
Mortgages, Notes, and Loans Receivable	—	—	—	—	—
Securities Lending Collateral	—	—	132,457	—	—
Inventory	5,107	—	—	—	43,730
Restricted Assets	—	—	—	—	—
Other Assets	—	—	—	—	—
TOTAL ASSETS	**$ 1,118,408**	**$ 867,297**	**$ 3,609,799**	**$ 607,342**	**$ 546,121**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 551	$ 6,767	$ 16	$ 12,656	$ 2,493
Investment Purchases Payable	—	—	35,651	—	—
Due To Other Funds	21,619	5,149	—	77,354	3,914
Due To Component Units	—	99	—	—	6
Accounts Payable	54,299	29,867	273	357,201	161,752
Due To Other Governments	8,159	8,449	4	17	986
Claims Payable	—	—	—	—	—
Securities Lending Obligation	—	—	132,457	—	—
Unearned Revenue	2	—	—	—	—
Amounts Held in Custody for Others	264	3	—	—	3,942
Compensated Absences	141	46	—	55	119
Total Liabilities	**85,035**	**50,380**	**168,401**	**447,283**	**173,212**
Deferred Inflows Of Resources	**135,663**	**0**	**2,713**	**0**	**1,372**
Fund Balances					
Nonspendable:					
Inventory	5,107	—	—	—	43,730
Permanent Fund Principal	—	—	—	—	—
Restricted for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	816,917	—	—	—
Natural Resources and Recreation	—	—	44,221	—	—
Health	—	—	—	160,059	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
Transportation	—	—	—	—	327,807
General Government	—	—	—	—	—
Capital Projects	—	—	—	—	—
Debt Service	—	—	—	—	—
Alabama Trust Capital	—	—	3,394,464	—	—
Assigned for:					
Economic Development and Regulation	68	—	—	—	—
Education and Cultural Resources	338	—	—	—	—
Natural Resources and Recreation	56	—	—	—	—
Health	48	—	—	—	—
Social Services	47	—	—	—	—
Protection of Persons and Property	4,593	—	—	—	—
Transportation	5	—	—	—	—
General Government	669	—	—	—	—
Unassigned	886,779	—	—	—	—
Total Fund Balances	**897,710**	**816,917**	**3,438,685**	**160,059**	**371,537**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 1,118,408**	**$ 867,297**	**$ 3,609,799**	**$ 607,342**	**$ 546,121**

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

Public Welfare Trust Fund	Coronavirus Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 205,197	$ 1,052,319	$ 2,502,026	$ 5,524,618
—	—	1,614,886	5,055,686
16,887	—	125,647	183,710
—	—	56,536	56,541
—	—	1,627	41,617
1	—	90,060	113,955
63,648	—	372,548	1,204,409
10,059	—	169,166	667,744
—	—	68	68
—	—	2,417	134,874
—	—	1,338	50,175
—	—	1,412	1,412
—	—	167	167
$ 295,792	**$ 1,052,319**	**$ 4,937,898**	**$ 13,034,976**
$ 3,279	$ 1,724	$ 15,447	$ 42,933
—	—	4,131	39,782
5,768	96,151	46,538	256,493
—	15,035	946	16,086
59,257	24,613	332,064	1,019,326
56,299	115,599	191,147	380,660
—	—	11	11
—	—	2,417	134,874
—	799,197	4,333	803,532
4,586	—	116,254	125,049
155	—	707	1,223
129,344	**1,052,319**	**713,995**	**2,819,969**
46,250	**0**	**362,411**	**548,409**
—	—	1,338	50,175
—	—	97,703	97,703
—	—	165,667	165,667
—	—	840,881	1,657,798
—	—	157,668	201,889
—	—	422,788	582,847
120,198	—	263,804	384,002
—	—	261,642	261,642
—	—	199,409	527,216
—	—	834,532	834,532
—	—	296,269	296,269
—	—	256,614	256,614
—	—	—	3,394,464
—	—	1,566	1,634
—	—	12,942	13,280
—	—	—	56
—	—	—	48
—	—	208	255
—	—	34,688	39,281
—	—	—	5
—	—	22,287	22,956
—	—	(8,514)	878,265
120,198	**0**	**3,861,492**	**9,666,598**
$ 295,792	**$ 1,052,319**	**$ 4,937,898**	**$ 13,034,976**

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

September 30, 2020

(Amounts in Thousands)

Total Fund Balances for Governmental Funds		**$9,666,598**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	445,136	
Historical Exhibits	4,127	
Construction in progress	76,912	
Construction in progress - Infrastructure	2,455,107	
Infrastructure	17,902,707	
Buildings	1,890,634	
Equipment	753,345	
Intangibles	96,449	
Accumulated Depreciation - Buildings	(797,413)	
Accumulated Depreciation - Equipment	(431,946)	
Amortization - Intangibles	(39,570)	
		22,355,488
Some of the State's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		548,409
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information technology, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.		110,859
Long-term loans reported in due from other governments are not collectible in the current period and, therefore, are not reported in the funds.		385,974
Deferred Outflows of Resources and Deferred Inflows of Resources associated with pension related costs and refunding of debt are long-term in nature and, therefore are not reported in the governmental funds.		
Deferred Outflows - pension related	375,752	
Deferred Inflows - pension related	(47,988)	
Deferred Outflows - OPEB related	250,964	
Deferred Inflows - OPEB related	(1,538,232)	
Deferred Outflows - losses on refunding of debt	34,496	
Deferred Inflows - gains on refunding of debt	(2,913)	
		(927,921)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Direct Borrowings	(68,452)	
Capital Leases	(91,916)	
Compensated Absences	(311,661)	
Claims, Judgments, and Other	(10,086)	
Due to Component Units	(4,370)	
Net Pension Liability	(3,522,792)	
Net OPEB Liability	(1,596,044)	
		(5,605,321)
Long-term bonded debt is not due and payable in the current period and, therefore, is not reported in the funds. Unamortized discounts, unamortized premiums, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Position. This is the total effect of these balances on the statement.		
General Obligation Bonds Payable	(591,115)	
Revenue Bonds Payable	(3,690,252)	
Unamortized Premiums	(314,835)	
Unamortized Discounts	1,995	
Accrued Interest Payable	(28,836)	
		(4,623,043)
Net Position of Governmental Activities		**$ 21,911,043**

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

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	General Fund	Education Trust Fund	Alabama Trust	Medicaid Fund	Public Road and Bridge Fund
REVENUES					
Taxes	$ 1,860,793	$ 7,433,946	$ 0	$ 0	$ 368,109
Licenses, Permits, and Fees	164,186	108	—	11	145,810
Fines, Forfeits, and Court Settlements	11,942	—	—	1,595	—
Investment Income	52,383	—	266,324	90	973
Federal Grants and Reimbursements	61	2	—	5,422,760	910,009
Other Revenues	1,474	732	24,050	510,163	49,695
Total Revenues	**2,090,839**	**7,434,788**	**290,374**	**5,934,619**	**1,474,596**
EXPENDITURES					
Current:					
Economic Development and Regulation	6,313	873	—	—	—
Education and Cultural Resources	2,700	6,699,515	—	—	—
Natural Resources and Recreation	6,097	2,686	1,001	—	—
Health	748,839	16,010	—	5,248,392	—
Social Services	8,659	32,864	—	—	—
Protection of Persons and Property	620,572	1,747	—	—	—
Transportation	—	—	—	—	1,576,454
General Government	269,513	33,849	12,638	—	—
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	144	—	—	—	2,051
Debt Service - Interest and Other Changes	233	5	—	—	44
Total Expenditures	**1,663,070**	**6,787,549**	**13,639**	**5,248,392**	**1,578,549**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**427,769**	**647,239**	**276,735**	**686,227**	**(103,953)**
OTHER FINANCING SOURCES (USES)					
Transfers In	296,581	316,668	18,737	260,493	156,860
Bonds Issued	—	—	—	—	—
Capital Leases and Direct Borrowings	—	—	—	—	—
Debt Issuance Premiums	—	—	—	—	—
Insurance Recovery Proceeds	16	2	—	—	3,543
Transfers Out	(530,387)	(1,196,964)	(190,533)	(770,916)	(161,172)
Total Other Financing Sources (Uses)	**(233,790)**	**(880,294)**	**(171,796)**	**(510,423)**	**(769)**
Net Change in Fund Balances	**193,979**	**(233,055)**	**104,939**	**175,804**	**(104,722)**
Fund Balances, October 1, 2019, as Restated	701,236	1,049,972	3,333,746	(15,745)	468,600
Increase (Decrease) in Inventory	2,495	—	—	—	7,659
Fund Balances, September 30, 2020	**$ 897,710**	**$ 816,917**	**$ 3,438,685**	**$ 160,059**	**$ 371,537**

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

Public Welfare Trust Fund	Coronavirus Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 218,536	$ 0	$ 1,816,725	$ 11,698,109
519	—	986,337	1,296,971
24	—	184,361	197,922
—	—	70,574	390,344
1,964,597	987,150	2,296,086	11,580,665
22,480	—	535,356	1,143,950
2,206,156	**987,150**	**5,889,439**	**26,307,961**
—	625	156,357	164,168
—	75,837	1,623,787	8,401,839
—	782	195,553	206,119
—	61,316	2,021,852	8,096,409
2,248,735	18,255	463,892	2,772,405
—	395,054	637,234	1,654,607
—	15,907	348,878	1,941,239
672	31,285	1,072,969	1,420,926
—	—	39,773	39,773
4,222	—	318,398	324,815
3,945	—	195,959	200,186
2,257,574	**599,061**	**7,074,652**	**25,222,486**
(51,418)	**388,089**	**(1,185,213)**	**1,085,475**
175,224	—	3,164,862	4,389,425
—	—	118,460	118,460
5,844	—	1,148	6,992
—	—	32,155	32,155
54	—	1,623	5,238
(90,882)	(388,089)	(1,472,623)	(4,801,566)
90,240	**(388,089)**	**1,845,625**	**(249,296)**
38,822	**—**	**660,412**	**836,179**
81,376	—	3,201,339	8,820,524
—	—	(259)	9,895
$ 120,198	**$ 0**	**$ 3,861,492**	**$ 9,666,598**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

Net Change in Fund Balances for Governmental Funds		**$836,179**
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay	328,117	
Depreciation Expense	(101,907)	
		226,210
In the Statement of Activities, only the gain (loss) on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost, net of accumulated depreciation, of the assets sold.		(9,248)
In the Statement of Activities, the change in the balance of inventories is expensed, whereas in the governmental funds, the change in the balance of inventories is adjusted to nonspendable fund balance.		9,895
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		270
Long-term loans to other governments are expenditures in the governmental funds, and the repayment is revenue in the governmental funds.		
Long-term loans to other governments	28,865	
Repayments of loans	(47,094)	
		(18,229)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information technology, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		22,418
Capital asset reassignments for the general government have not been reported in governmental fund financial statements.		
Internal service fund capital assets reassigned to the general government	127	
Internal service fund capital assets reassigned from the general government	(4)	
		123
Amortization of deferred losses and gains on refunding of debt reported in the Statement of Activities do not use or provide current financial resources and, therefore, are not reported as expenditures or revenue in the governmental funds.		
Amortization of deferred losses	(6,638)	
Amortization of deferred gains	616	
		(6,022)
Long-term debt proceeds provide current financial resources to governmental funds, which increases long-term liabilities in the Statement of Net Position. Long-term debt principal repayment is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Bond proceeds	(118,460)	
Capital lease and direct borrowings proceeds	(6,992)	
Debt issuance premiums	(32,155)	
Payments to Refunded Bond Escrow Agent	—	
Repayment of bond principal	313,435	
Repayment of direct borrowings principal	6,420	
Repayment of capital lease principal	4,960	
Accrued interest and debt-related amortization	51,810	
		219,018
Increases in long-term liabilities for certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Other post-employment benefits	246,915	
Compensated absences	(21,528)	
Claims, judgments, and other	1,050	
Pension Expense	(57,729)	
		168,708
Change in Net Position of Governmental Activities		**$ 1,449,322**

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

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

STATE OF ALABAMA

STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2020

(Amounts in Thousands)

	Business-type Activities - Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Total Enterprise Funds
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 429,202	$ 57,784	$ 47,542	$ 9,288	$ 543,816
Investments, Short-term	—	19,651	—	16,017	35,668
Due From Other Funds	86,043	5,835	12	854	92,744
Due From Component Units	—	—	—	—	—
Accounts Receivable	4,897	15,735	5	7,461	28,098
Due From Other Governments	154	3,256	—	—	3,410
Inventory	—	3,777	42,509	1,417	47,703
Other Current Assets	—	16,731	—	22,072	38,803
Total Current Assets	**520,296**	**122,769**	**90,068**	**57,109**	**790,242**
Noncurrent Assets					
Investments, Long-term	—	10,197	—	123,598	133,795
Due From Other Funds	—	—	—	5,514	5,514
Due From Component Units	—	—	—	10	10
Other Noncurrent Assets	—	4,041	—	37	4,078
Capital Assets, Net of Accumulated Depreciation	—	504,835	2,209	9,870	516,914
Capital Assets Not Depreciated	—	116,591	—	2,630	119,221
Total Noncurrent Assets	**0**	**635,664**	**2,209**	**141,659**	**779,532**
TOTAL ASSETS	**520,296**	**758,433**	**92,277**	**198,768**	**1,569,774**
DEFERRED OUTFLOWS OF RESOURCES	**0**	**28,924**	**13,435**	**1,302**	**43,661**
LIABILITIES					
Current Liabilities					
Warrants Payable	—	—	221	756	977
Due To Other Funds	235	—	36,475	705	37,415
Due To Component Units	—	—	—	—	—
Accounts Payable	20,728	20,518	54,027	1,167	96,440
Due To Other Governments	223	—	4,134	3	4,360
Claims Payable	—	148	—	28,649	28,797
Unearned Revenue	—	—	—	158	158
Funds Held in Escrow	85	—	—	—	85
Compensated Absences	—	3,274	531	13	3,818
Notes and Capital Leases Payable	—	—	—	—	—
Revenue Bonds Payable	—	13,060	—	—	13,060
Other Long-term Liabilities	—	164	—	—	164
Total Current Liabilities	**21,271**	**37,164**	**95,388**	**31,451**	**185,274**
Noncurrent Liabilities					
Claims Payable	—	1,850	—	551	2,401
Unearned Revenue, Noncurrent	—	593	—	—	593
Compensated Absences	—	2,182	5,721	379	8,282
Net OPEB Liability	—	29,406	46,368	1,574	77,348
Net Pension Liability	—	20,100	61,902	4,319	86,321
Notes and Capital Leases Payable	—	—	—	940	940
Revenue Bonds Payable	—	324,617	—	—	324,617
Other Long-term Liabilities	—	5,073	—	—	5,073
Total Noncurrent Liabilities	**0**	**383,821**	**113,991**	**7,763**	**505,575**
TOTAL LIABILITIES	**21,271**	**420,985**	**209,379**	**39,214**	**690,849**
DEFERRED INFLOWS OF RESOURCES	**0**	**28,782**	**44,962**	**2,329**	**76,073**
NET POSITION					
Net Investment in Capital Assets	—	295,756	2,209	11,560	309,525
Restricted for:					
Unemployment Compensation	499,025	—	—	—	499,025
Education	—	—	—	1,975	1,975
Debt Service	—	29,166	—	—	29,166
Capital Projects	—	682	—	—	682
Unrestricted	—	11,986	(150,838)	144,992	6,140
TOTAL NET POSITION	**$ 499,025**	**$ 337,590**	**$ (148,629)**	**$ 158,527**	**$ 846,513**

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

Governmental Activities
Internal Service Funds
$ 97,679
25,480
13,697
109
727
—
4,485
—
142,177
130,574
—
—
—
84,322
4,935
219,831
362,008
9,884
244
1,768
437
23,104
83
3,210
27
199
451
4,262
2,195
—
35,980
102,188
—
4,837
25,569
55,412
4,379
7,753
—
200,138
236,118
24,915
71,015
—
—
—
—
39,844
$ 110,859

STATE OF ALABAMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Proprietary Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Business-type Activities - Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Total Enterprise Funds
OPERATING REVENUES					
Charges for Goods and Services	$ 0	$ 139,822	$ 421,906	$ 39,968	$ 601,696
Premiums and Contributions	183,252	—	—	56,627	239,879
Rents and Leases	—	—	—	1,074	1,074
Total Operating Revenues	**183,252**	**139,822**	**421,906**	**97,669**	**842,649**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	—	—	43,259	5,172	48,431
Utilities and Communications	—	—	2,901	178	3,079
Professional Services	—	—	10,261	3,915	14,176
Supplies, Materials, and Operating Expense	—	—	304,145	68,292	372,437
Interest	—	—	—	—	—
Depreciation	—	28,344	2,852	801	31,997
Claims and Benefits	3,431,865	—	—	31,877	3,463,742
Operations and Maintenance	—	84,389	—	—	84,389
General and Administrative	—	16,994	—	—	16,994
Other	—	1,418	13,952	24	15,394
Total Operating Expenses	**3,431,865**	**131,145**	**377,370**	**110,259**	**4,050,639**
Operating Income (Loss)	**(3,248,613)**	**8,677**	**44,536**	**(12,590)**	**(3,207,990)**
NONOPERATING REVENUES (EXPENSES)					
Investment Income	12,897	396	—	7,583	20,876
Taxes	—	—	14,513	—	14,513
Other Nonoperating Revenues	10,313	6,530	228	251	17,322
Grants	2,911,260	—	—	1,363	2,912,623
Interest Expense	—	(14,505)	—	(54)	(14,559)
Other Nonoperating Expenses	(277,176)	(582)	—	(700)	(278,458)
Total Nonoperating Revenues (Expenses)	**2,657,294**	**(8,161)**	**14,741**	**8,443**	**2,672,317**
Income (Loss) Before Contributions and Transfers	**(591,319)**	**516**	**59,277**	**(4,147)**	**(535,673)**
Capital Contributions	—	7,539	—	—	7,539
Transfers In	385,735	16,363	325	5,393	407,816
Transfers Out	(10,000)	(62)	(56,115)	(11,839)	(78,016)
Increase (Decrease) in Net Position	**(215,584)**	**24,356**	**3,487**	**(10,593)**	**(198,334)**
Total Net Position, October 1, 2019, as Restated	714,609	313,234	(152,116)	169,120	1,044,847
Total Net Position, September 30, 2020	**$ 499,025**	**$ 337,590**	**$ (148,629)**	**$ 158,527**	**$ 846,513**

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

Governmental Activities
Internal Service Funds
$ 129,815
24,093
18,207
172,115
35,754
18,960
57,085
25,837
352
8,641
23,200
—
—
9,690
179,519
(7,404)
7,832
—
1,153
—
(384)
(1,843)
6,758
(646)
4
29,843
(6,783)
22,418
88,441
$ 110,859

STATE OF ALABAMA

STATEMENT OF CASH FLOWS

Proprietary Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)	Business-type Activities - Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash Flows from Operating Activities:					
Receipts from Customer & User Charges	$ 198,382	$ 137,445	$ 429,476	$ 101,930	$ 867,233
Receipts from Interfund Services	—	—	32	7,900	7,932
Receipts from Operating Grants	2,911,271	—	—	1,175	2,912,446
Receipts from Interfund Reimbursements	3,232	—	—	—	3,232
Receipts from Other Operating Activities	9,065	—	35,613	1,153	45,831
Payments for Goods Held for Resale	—	—	(286,777)	(17,388)	(304,165)
Payments for Other Goods & Services	—	(65,201)	(29,338)	(60,577)	(155,116)
Payments for Employees Services	—	(40,935)	(49,771)	(5,570)	(96,276)
Payments for Taxes, Fines, Penalties, & Similar Fees	—	—	—	—	—
Payments for Interfund Services	—	—	(2,900)	(17)	(2,917)
Payments for Other Operating Activities	(13,114)	—	(26,297)	(1,791)	(41,202)
Payments for Claims	(3,707,795)	—	—	(27,315)	(3,735,110)
Net Cash Provided by (Used In) Operating Activities	**(598,959)**	**31,309**	**70,038**	**(500)**	**(498,112)**
Cash Flows from Noncapital Financing Activities:					
Receipts from Noncapital Financing Grants & Donations	1,973	—	—	9	1,982
Transfers from Other Funds for Noncapital Financing	300,000	—	325	5,414	305,739
Payments for Noncapital Financing Grants & Donations	(726)	—	—	—	(726)
Transfers to Other Funds for Noncapital Financing	(10,751)	(62)	(52,662)	(12,189)	(75,664)
Net Cash Provided By (Used In) Noncapital Financing Activities	**290,496**	**(62)**	**(52,337)**	**(6,766)**	**231,331**
Cash Flows from Capital & Related Financing Activities:					
Receipts from Capital Grants & Contributions	—	4,284	—	—	4,284
Transfers from Other Funds for Capital Financing	—	10,528	—	—	10,528
Receipts from Sale of Capital Assets & Insurance Proceeds	—	8,092	40	5	8,137
Payments to Acquire, Construct, & Improve Capital Assets	—	(51,727)	(453)	(1,310)	(53,490)
Principal Paid on Revenue Bonds & Other Capital Debt	—	(15,522)	—	(70)	(15,592)
Interest Paid on Revenue Bonds & Other Capital Debt	—	(14,677)	—	(54)	(14,731)
Net Cash Provided by (Used in) Capital and Related Financing Activities	**0**	**(59,022)**	**(413)**	**(1,429)**	**(60,864)**
Cash Flows From Investing Activities					
Receipts from Sales & Maturities of Investments	—	18,034	—	28,452	46,486
Receipts from Interest & Dividends on Investments & Loans	16,156	610	—	1,024	17,790
Purchase of Investments	—	(2,152)	—	(24,455)	(26,607)
Net Cash Provided By (Used In) Investing Activities	**16,156**	**16,492**	**0**	**5,021**	**37,669**
Net Increase (Decrease) In Cash and Cash Equivalents	**(292,307)**	**(11,283)**	**17,288**	**(3,674)**	**(289,976)**
Cash Balance as Restated, October 1, 2019	721,509	69,067	30,033	12,206	832,815
Cash Balance, September 30, 2020	**429,202**	**57,784**	**47,321**	**8,532**	**542,839**
Add: Warrants Payable	—	—	221	756	977
Cash and Cash Equivalents, as Reported on Statement of Net Position	**$ 429,202**	**$ 57,784**	**$ 47,542**	**$ 9,288**	**$ 543,816**

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

Governmental Activities	
Internal Service Funds	
$	11,337
	164,216
	—
	—
	673
	(14,468)
	(84,886)
	(41,088)
	(2)
	(13,134)
	(389)
	(4,729)
	17,530
	—
	27,356
	—
	(6,769)
	20,587
	—
	1,900
	213
	(5,716)
	(6,296)
	(809)
	(10,708)
	8,750
	28
	(22,278)
	(13,500)
	13,909
	83,526
	97,435
	244
$	**97,679**

Continued on next page...

STATE OF ALABAMA

STATEMENT OF CASH FLOWS (Continued from Previous Page)

Proprietary Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)	Business-type Activities - Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	**$ (3,248,613)**	**$ 8,677**	**$ 44,536**	**$ (12,590)**	**$ (3,207,990)**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Due from Other Funds	(986)	—	1	1,124	139
Accounts Receivable	(735)	(1,484)	(5)	720	(1,504)
Due From Other Governments	(154)	—	—	—	(154)
Inventory	—	(1)	1,195	35	1,229
Other Assets	—	(5,221)	—	(4,862)	(10,083)
Capital Assets	—	—	—	—	—
Deferred Outflows of Resources	—	(1,759)	(3,836)	(103)	(5,698)
Due to Other Funds	176	—	(1,926)	—	(1,750)
Accounts Payable	3,694	217	13,013	123	17,047
Due to Other Governments	130	—	2,705	—	2,835
Claims Payable	—	(335)	—	13,872	13,537
Unearned Revenue	—	(893)	—	(58)	(951)
Compensated Absences	—	691	65	61	817
Net Pension Liability	—	(7)	5,760	260	6,013
Net OPEB Liability	—	(17,962)	(32,336)	(1,679)	(51,977)
Other Liabilities	—	307	—	—	307
Deferred Inflows of Resources	—	16,147	23,431	1,222	40,800
Operating Interest Expense	—	—	—	—	—
Depreciation	—	28,344	2,852	801	31,997
Amortization Expense	—	4,588	—	—	4,588
Nonoperating Revenues	2,647,529	—	14,583	1,601	2,663,713
Nonoperating Expenses	—	—	—	(1,027)	(1,027)
Total Adjustments	2,649,654	22,632	25,502	12,090	2,709,878
Net Cash Provided (Used) by Operating Activities	**$ (598,959)**	**$ 31,309**	**$ 70,038**	**$ (500)**	**$ (498,112)**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Capital Assets Acquired by Capital Contribution	—	—	—	—	—
Disposals and Other Reductions to Capital Assets	—	(6,731)	(237)	(489)	(7,457)
Capital Assets Acquired on Account	—	565	345	(4)	906
Capital Asset Reassignments	—	—	—	—	—
Revenue Bond Amortizations and Other Debt Adjustments	—	1,983	—	—	1,983
Interest Accruals and Other Adjustments	(3,259)	—	—	2,787	(472)
Unrealized Gains (Losses) in Investment Fair Value	—	590	—	4,139	4,729
Transfers In (Out)	—	—	(3,454)	—	(3,454)
Capital Grants and Contributions Receivable	—	(3,256)	—	—	(3,256)
Due From Other Funds for Capital Financing	—	5,835	—	—	5,835
Bonds issued	—	46,986	—	—	46,986
Bonds refunded	—	(50,000)	—	—	(50,000)

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

Governmental Activities
Internal Service Funds
$ (7,404)
4,532
92
—
(781)
—
—
(2,084)
(2,309)
1,025
—
18,533
(27)
360
2,769
(17,921)
1
11,299
809
8,641
—
957
(962)
24,934
$ 17,530
4
(2,948)
644
(127)
73
3,343
4,465
(514)
—
—
—
—

STATE OF ALABAMA

STATEMENT OF FIDUCIARY NET POSITION

Fiduciary Funds

September 30, 2020

(Amounts in Thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents	$ 94,372	$ 9,177	$ 247,718
Investments			
Time Deposits	—	—	676
U.S. Treasury Securities	1,752,623	7,622	37,897
U.S. Agency Securities	335,560	6,043	—
State and Local Government Securities	53	—	6,745
Mortgage Backed Securities	1,277,887	5,082	3,115
Corporate Stocks	23,481,246	7,078	—
Corporate Bonds	3,879,632	3,204	1,835
Real Estate	3,519,872	827	—
Commercial Paper	1,130,719	230	—
International Stocks	5,557,171	—	—
Guaranteed Investment Contracts	210,562	—	—
Mutual and Money Market Funds	2,806,838	2,070,803	148
Receivables			
Due From Other Funds	15	—	—
Employer Contributions Receivable	110,014	—	—
Member Contributions Receivable	61,112	—	—
Investment Sales Receivable	83,794	—	—
Accounts Receivable	135,061	4,561	—
Due From Other Governments	212	—	8
Mortgages, Notes, and Loans Receivable	7,935	—	—
Securities Lending Collateral	1,315,873	674	—
Other Assets	597	—	—
Capital Assets, Net of Accumulated Depreciation	143,176	—	—
Capital Assets Not Depreciated	7,620	—	—
TOTAL ASSETS	**45,911,944**	**2,115,301**	**298,142**
DEFERRED OUTFLOWS OF RESOURCES	**11,628**	**0**	**0**
LIABILITIES			
Warrants Payable	66	670	26,920
Investment Purchases Payable	74,910	—	—
Due To Other Funds	3	2	—
Accounts Payable	10,827	8,185	169
Due To Other Governments	52	—	29,552
Claims Payable	25,362	—	—
Securities Lending Obligation	1,315,873	674	—
Unearned Revenue	3,123	—	—
Amounts Held in Custody for Others	—	2,814	241,501
Compensated Absences	6,944	23	—
Net OPEB Liability	16,832	—	—
Net Pension Liability	41,777	—	—
Notes and Mortgages Payable	1,000	—	—
TOTAL LIABILITIES	**1,496,769**	**12,368**	**298,142**
DEFERRED INFLOWS OF RESOURCES	**16,447**	**0**	**0**
NET POSITION			
Restricted or Held in Trust for Beneficiaries	—	2,102,933	—
Restricted for:			
Pensions	39,480,222	—	—
OPEB	1,807,480	—	—
Other Purposes	3,122,654	—	—
TOTAL NET POSITION	**$ 44,410,356**	**$ 2,102,933**	**$ 0**

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

STATE OF ALABAMA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Fiduciary Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds
ADDITIONS		
Contributions:		
Plan members	$ 1,182,734	$ 199,839
Employer	1,934,777	—
Other Contributions	5,156	—
Federal On-Behalf	468	—
Capital Contributions	38	—
Total Contributions	3,123,173	199,839
Investment Earnings		
Investment Interest and Dividends	1,008,294	55,777
Net Increase (Decrease) in Fair Value of Investments	1,523,598	87,478
Securities Lending Income	23,268	38
Total Investment Earnings	2,555,160	143,293
Less:		
Investment Expense	14,776	—
Securities Lending Interest and Fees	12,612	23
Net Investment Income	2,527,772	143,270
Other Additions		
Interest from Mortgages and Loans Receivable	498	—
Miscellaneous	9,737	135
Transfers In	—	60,738
Total Other Additions	10,235	60,873
Total Additions	**5,661,180**	**403,982**
DEDUCTIONS		
Benefit Payments and Refunds	4,335,961	204,512
Administrative Expense	54,152	9,186
Transfers Out	—	1,454
Total Deductions	**4,390,113**	**215,152**
Change in Net Position	**1,271,067**	**188,830**
Net Position Restricted or Held in Trust for Beneficiaries, October 1, 2019, as Restated	43,139,289	1,914,103
Net Position Restricted or Held in Trust for Beneficiaries, September 30, 2020	**$ 44,410,356**	**$ 2,102,933**

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

STATE OF ALABAMA

STATEMENT OF NET POSITION

Component Units

September 30, 2020

(Amounts in Thousands)

	University of Alabama	Auburn University	University of South Alabama	Public Education Employees' Health Insurance	Alabama Community College System
ASSETS					
Cash and Cash Equivalents	$ 998,993	$ 219,184	$ 243,601	$ 459	$ 478,022
Investments	4,865,813	2,191,425	706,230	264,924	131,671
Due From Primary Government	3,197	—	—	6,300	—
Accounts Receivable	699,779	52,690	64,229	13,550	123,595
Due From Other Governments	—	—	—	1,735	—
Mortgages, Notes, and Loans Receivable	366,768	63,661	7,321	—	—
Securities Lending Collateral	—	—	—	—	—
Inventory	41,683	6,228	—	—	2,715
Restricted Assets	—	2,976	50,805	—	—
Other Assets	215,306	51,357	19,544	896	7,376
Capital Assets, Net of Accumulated Depreciation	4,187,119	1,892,669	660,728	—	895,128
Capital Assets Not Depreciated	416,416	163,705	179,026	—	76,807
TOTAL ASSETS	**11,795,074**	**4,643,895**	**1,931,484**	**287,864**	**1,715,314**
DEFERRED OUTFLOWS OF RESOURCES	**555,566**	**237,831**	**97,615**	**1,383**	**132,909**
LIABILITIES					
Warrants Payable	—	—	—	—	—
Due To Primary Government	42,674	—	—	357	—
Due To Component Units	—	—	—	—	—
Accounts Payable	549,638	115,201	127,081	502	65,543
Due To Other Governments	17,148	—	—	373	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	517,971	271,526	103,724	—	68,734
Amounts Held in Custody for Others	42,407	25,521	—	—	9,966
Noncurrent Liabilities:					
Due Within One Year	204,990	86,731	36,778	30,448	24,774
Due In More Than One Year	5,175,822	2,083,368	943,023	67,081	933,263
TOTAL LIABILITIES	**6,550,650**	**2,582,347**	**1,210,606**	**98,761**	**1,102,280**
DEFERRED INFLOWS OF RESOURCES	**781,470**	**243,999**	**213,830**	**2,002**	**237,364**
NET POSITION					
Net Investment in Capital Assets	2,308,676	1,382,582	380,046	—	726,978
Restricted for:					
Permanent - Expendable	860,546	45,801	24,699	—	3,892
Permanent - Non-expendable	1,007,081	734,762	244,034	—	7,578
Debt Service	—	—	—	—	8,709
Capital Projects	—	41,961	—	—	12,007
Other Purposes	—	4,979	185,090	—	—
Unrestricted	842,217	(154,705)	(229,206)	188,484	(250,585)
TOTAL NET POSITION	**$ 5,018,520**	**$ 2,055,380**	**$ 604,663**	**$ 188,484**	**$ 508,579**

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

Nonmajor Component Units	Total Component Units
$ 528,236	$ 2,468,495
1,393,701	9,553,764
11,396	20,893
223,719	1,177,562
691,767	693,502
421,560	859,310
8,239	8,239
10,709	61,335
5,540	59,321
115,558	410,037
1,303,659	8,939,303
304,088	1,140,042
5,018,172	**25,391,803**
207,051	**1,232,355**
61	61
13,629	56,660
—	—
174,152	1,032,117
178,147	195,668
8,239	8,239
229,221	1,191,176
351,614	429,508
79,411	463,132
1,718,375	10,920,932
2,752,849	**14,297,493**
328,880	**1,807,545**
885,431	5,683,713
150,741	1,085,679
209,809	2,203,264
1,246,586	1,255,295
28	53,996
71,510	261,579
(420,611)	(24,406)
$ 2,143,494	**$ 10,519,120**

STATE OF ALABAMA

STATEMENT OF ACTIVITIES
Component Units

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	University of Alabama	Auburn University	University of South Alabama	Public Education Employees' Health Insurance	Alabama Community College System
Expenses	**$ 5,483,802**	**$ 1,270,337**	**$ 926,354**	**$ 976,817**	**$ 807,626**
Program Revenues					
Charges for Services	4,206,564	753,165	766,762	1,065,113	175,101
Operating Grants and Contributions	985,532	276,675	43,932	97	296,506
Capital Grants and Contributions	82,840	14,533	6,631	—	2,617
Total Program Revenues	**5,274,936**	**1,044,373**	**817,325**	**1,065,210**	**474,224**
Net (Expense) Revenue	**(208,866)**	**(225,964)**	**(109,029)**	**88,393**	**(333,402)**
General Revenues					
Payments from State of Alabama	531,319	287,968	118,799	11,354	440,226
Grants and Contributions Not Restricted to Specific Programs	313	—	—	—	—
Unrestricted Investment Earnings	19,592	89,330	40,660	2,476	7,519
Miscellaneous	41	—	64,239	—	7,543
Contributions to Permanent Funds and Endowments	46,457	213	10,706	—	—
Total General Revenues and Contributions	**597,722**	**377,511**	**234,404**	**13,830**	**455,288**
Change in Net Position	**388,856**	**151,547**	**125,375**	**102,223**	**121,886**
Net Position, October 1, 2019, as Restated	4,629,664	1,903,833	479,288	86,261	386,693
Net Position, September 30, 2020	**$ 5,018,520**	**$ 2,055,380**	**$ 604,663**	**$ 188,484**	**$ 508,579**

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

Nonmajor Component Units	Total Component Units
$ 1,661,272	**$ 11,126,208**
997,956	7,964,661
375,678	1,978,420
4,676	111,297
1,378,310	**10,054,378**
(282,962)	**(1,071,830)**
395,079	1,784,745
—	313
92,829	252,406
10,703	82,526
89	57,465
498,700	**2,177,455**
215,738	**1,105,625**
1,927,756	9,413,495
$ 2,143,494	**$ 10,519,120**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

1. Primary Government

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

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

2. Blended Component Units

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

The following blended component units were created for the purpose of financing State capital expenditures. Each issues revenue bonds that are limited obligations of the component unit. Their boards consist of state officials and specific state revenues are

pledged for bond repayment. Those marked with a † are currently inactive and had no financial balances or activity in the past fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Discretely Presented Component Units

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

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

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

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

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

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

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

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

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

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

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

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

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

The boards of the four-year colleges of the State, except for the University of Alabama, are appointed by the State. Those colleges are: Alabama A&M University, Alabama State University, Athens State University, Auburn University, Jacksonville State University, University of Montevallo, University of West Alabama, University of North Alabama, University of South Alabama, and Troy University. The University of Alabama board of trustees is not controlled by the State, but the University is subject to budgetary control by the State. The Crimson Tide Foundation, UAB Research Foundation, Triton Health Systems, LLC, Alabama Care Plan, UAB Hospital Management, LLC, and UAB Athletics Foundation are blended component units of the University of Alabama and are therefore included in all amounts reported for the University. The University of South Alabama includes the Professional Liability Trust Fund, the General Liability Trust Fund, USA HealthCare Management, LLC, USA Health Physician Billing Services, LLC, USA Health Hospital Billing Services, LLC, USA Health Anesthesia Billing Services, LLC and USA Health Reference Lab Billing Services, LLC as blended component units.

In addition to the blended component units, there are other legally separate, tax exempt organizations that are discretely presented component units of the universities. These organizations generally exist to raise funds to benefit a specific university. Although the university may not control the timing or amount of receipts from these foundations, the majority of resources that the foundations hold and invest are restricted to benefit the activities of the universities by the donors. Because the resources are held for the benefit of the universities, the foundations are considered discretely presented component units of the universities and are

included in each of the universities' financial statements. For the University of Alabama, the University's discretely presented component units are the National Alumni Association of the University of Alabama, the Capstone Foundation, the 1831 Foundation, the Capstone Health Services Foundation, the University of Alabama Law School Foundation, the Donor Advised Fund, Southern Research Institute, and the University of Alabama Huntsville Foundation. For Alabama State University, the Alabama State University Foundation, Inc. and the Trust for Educational Excellence at Alabama State University are component units. For Auburn University, the University's component units are the Auburn University Foundation, Tigers Unlimited Foundation, Auburn Alumni Association, and Auburn Research and Technology Foundation. The University of Montevallo Foundation is a component unit of the University of Montevallo and is included in the amounts reported for Montevallo. The University of South Alabama has three component units, the University of South Alabama Foundation, the USA Research and Technology Corporation, and the University of South Alabama Health Care Authority. The Troy University Foundation is a component unit of Troy University. Jacksonville State University's component unit is Jacksonville State University Foundation, Inc. For the University of North Alabama, the University of North Alabama Foundation is a component unit and is included in the amount reported for North Alabama. The Alabama A&M University has two component units - The Alabama A&M University Foundation, Inc. and the Trust for Educational Excellence at Alabama A&M University. For Athens State University, the Athens State University Foundation is a component unit. The University of West Alabama Foundation is a component unit of The University of West Alabama.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Red Mountain Greenway and Recreational Area Commission is responsible for preserving, restoring, and promoting as a greenway, recreational area, or historic site certain land in Birmingham which played an important role in the steel industry of the State. The fifteen member Commission is not controlled by the State, but the Commission is fiscally dependent on the State.

The Alabama Transportation Infrastructure Bank has been created to provide loans and other financial assistance to local governments for constructing and improving highway and transportation facilities. The seven-member board is made up of two state officials and five other persons appointed by the State. This component unit has not commenced operations.

4. Fiduciary Component Units

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

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

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

5. Excluded Organizations

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

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

6. Sources of Information

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

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

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

a. Primary Government

- Alabama College Education Savings Trust Fund
- Alabama Deferred Compensation Plan
- Alabama Health Insurance Plan
- Alabama Industrial Development Training Institute
- Alabama School of Cyber Technology and Engineering
- Alabama School of Fine Arts
- Alabama State Port Authority
- Alabama Fire College
- Alabama Technology Network
- Attorney General Outside Accounts
- Aviation Hall of Fame
- Blind Vendors Fund
- C.C. Smith Trust Fund
- Cahawba Advisory Committee
- Charlotte Thorn Endowment Fund
- Corrections Bank Accounts and Agency Funds
- Corrections Canteen Funds
- Court System Local Accounts
- Dental Examiners Board

- Dental Scholarships Awards Board
- Department of Human Resources Local Funds
- Educational Television Foundation Authority
- Geological Survey Library Revolving Fund
- High School of Math and Science
- Insurance Department Statutory Deposits
- Insurance Department Receivership
- Medicaid Agency Lien Account
- Medical Scholarships Awards Account
- Medical Examiners and Licensure Commission
- Men’s Hall of Fame Outside Account
- Military Department Unit Funds
- Motor Sports Hall of Fame
- National Guard Canteen Funds
- Optometry Board
- Optometric Scholarships Awards Board
- Peace Officers' Annuity and Benefit Investment Account
- Pharmacy Board
- Pilotage Commission
- Podiatry Board
- Presiding Circuit Judge's and Clerk's Judicial Administration Funds
- Public Health Care Authority
- Public Health Local Funds
- Public Safety Narcotics Funds
- Sports Hall of Fame Checking Account
- St. Stephens Historical Commission
- State Bar Checking Account
- State Bar Client Security
- State Bar Foundation
- State Port Authority Hourly Pension Plan
- State Port Authority Railway Pension Plan
- State Port Authority Hourly Defined Contribution Plan
- Stonewall Jackson Memorial Fund
- Supreme Court Checking Account
- Supreme Court Law Library Checking Account
- Unemployment Compensation Funds
- Victims Services Fund
- W.V. Chambliss Trust Fund
- Wireless 911 Board
- Women's Hall of Fame
- Youth Service Student Accounts and Local Funds

b. Discretely Presented Component Units

- Alabama Agricultural and Mechanical University
- Alabama Agricultural Development Authority
- Alabama Community College System
- Alabama Drinking Water Finance Authority
- Alabama Historic Ironworks Commission
- Alabama Housing Finance Authority
- Alabama Institute for Deaf and Blind
- Alabama State University
- Athens State University
- Auburn University

- Historic Blakeley Authority
- Crime Victims' Compensation Fund
- Jacksonville State University
- Marine Environmental Sciences Consortium
- Mental Health Capital Projects - Bank Account
- Music Hall of Fame
- Red Mountain Greenway and Recreational Area Commission
- Space Science Exhibit Commission and Space Science Exhibit Finance Authority
- Troy University
- U.S.S. Alabama Battleship Commission
- University of Alabama in Birmingham
- University of Alabama in Huntsville
- University of Alabama System Office
- University of Alabama in Tuscaloosa
- University of Montevallo
- University of North Alabama
- University of South Alabama
- University of West Alabama
- Water Pollution Control Authority

B. Government-Wide and Fund Financial Statements

1. Government-Wide Financial Statements

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

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

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

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

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

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

2. Fund Financial Statements

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

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

1. Measurement Focus and Basis of Accounting

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

a. Accrual Basis

Under GAAP, the government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Agency funds, however, do not have a measurement focus. Revenues are recognized and recorded when earned and expenses are recorded when a liability is incurred for exchange and exchange-like transactions, regardless of the timing of cash flows. For nonexchange transactions, revenues and expenditures and related assets and liabilities are recognized as required by GASB Statement No. 33, as amended by GASB Statement No. 65. For derived nonexchange transactions, receivables and revenues are recognized when the underlying exchange has occurred. For imposed nonexchange transactions, receivables are recognized when an enforceable legal claim has arisen. Revenues are recognized when resources are required to be used or the first period that use is permitted.

Property taxes are recognized as revenues in the year for which they are levied. For government mandated nonexchange revenues such as grants, GAAP require the recognition of assets, revenues, liabilities, and expenditures when all eligibility requirements have been met. Resources received before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred inflows of resources. Agency funds, fiduciary in nature, do not recognize revenues and expenditures.

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

b. Modified Accrual Basis

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

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

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

For nonexchange transactions, revenues and expenditures and related assets and liabilities are recognized as required by GASB Statement No. 33, as amended by GASB Statement No. 65. For income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, gasoline taxes, motor fuels tax, electric public utility tax, and other derived nonexchange transactions, revenues are recognized when the underlying exchange has occurred and the resources are available. For property taxes, business privilege tax, and other imposed nonexchange transactions, receivables are recognized when an enforceable legal claim has arisen. Revenues are recognized when resources are required to be used or the first period that use is permitted and the

resources are available. For property taxes, revenues are recognized if received within sixty days; otherwise, deferred inflows of resources are reported. For federal grants and other government mandated nonexchange revenues, assets, revenues, liabilities, and expenditures are recognized when all eligibility requirements have been met and (for revenues) resources are available. Deferred inflows of resources are reported until the revenue becomes available. For reimbursement-type federal grants, eligibility requirements are met when recipients incur allowable costs, not when those costs are submitted for reimbursement.

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

2. Financial Statement Presentation

a. Major Funds

The State reports seven major governmental funds. The **General Fund** is the State's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The **Education Trust Fund** accounts for the revenues collected for the support, maintenance, and development of public education in Alabama. General sales and uses taxes, income taxes, and utilities taxes are the primary revenues restricted to this fund. The **Alabama Trust Fund** consists of income from the sale or lease of rights for offshore exploration and drilling for oil and gas off the Alabama coast. Investment income earned on the trust balance is used to support the General Fund, Forever Wild Land Trust, and a variety of capital projects and debt service. **Medicaid** accounts for the portion of the Medicaid program that is funded by Federal revenues and Medicaid provider taxes. The **Public Road and Bridge Fund** accounts for funds used to construct and maintain public highways. Revenues in the fund consist of federal revenues, gasoline taxes, and other motor fuel taxes. The **Public Welfare Trust Fund** accounts for the administration of a broad range of social and protective services programs that provide financial assistance to individuals. Revenues restricted to the fund include federal revenues, property taxes, and liquor and wine taxes. The **Coronavirus Relief Fund** was created in response to the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide financial assistance for expenditures related to the effects of COVID-19.

The State reports three major enterprise funds. The **Unemployment Compensation Trust** accounts for the activities of the federal unemployment insurance program including employer contributions, Federal Unemployment Trust advances, and benefit claims to the unemployed. The **State Port Authority** was created to engage in promoting, developing, constructing, maintaining, and operating harbors, seaports, and river ports within the State of Alabama. The **Alcoholic Beverage Control Board** was created to control alcoholic beverages through distribution, licensing, and enforcement.

b. Nonmajor Funds

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

Governmental Fund Types:

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

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

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

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

Proprietary Fund Types:

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

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

Fiduciary Fund Types:
Pension and Other Employee Benefit Trust Funds account for resources that are restricted or held in trust for the members and beneficiaries of the State's defined benefit pension plans, deferred compensation plans, individual retirement accounts, post-employment health care plans, and flexible employees' benefit plans. The defined benefit pension plans include plans for state employees, state police, some city and county employees, teachers, judges, peace officers, and state dock employees.

Private Purpose Trust Funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The State's largest private purpose funds are education related for either college tuition benefits or local public schools. There are three endowment funds established by private citizens that the State manages as trustee for local school systems and reports as Local Education Endowments.

Agency Funds report assets and liabilities for deposits and investments entrusted to the State as an agent for others. The State has agency funds that account for some taxes collected, payroll withholdings, child support payments, cash bonds, and other purposes.

D. Fiscal Year

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

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

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

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

The largest taxes receivable are for income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, gasoline taxes, motor fuels taxes, oil and gas production privilege tax, and property taxes as required by GASB Statement 33.

The property tax calendar for the State is simple. The levy date, the assessment date, and the lien date are all the same date - October 1. On October 1, the assessed value of all property is multiplied by the applicable rates to levy the property tax. On that date, the State has a lien (a legal claim) against the property. The property tax is not due until October 1 the following year. The property tax is paid in arrears between October 1 and December 31. After December 31, it is delinquent.

Approximately 37 percent of due from other governments is long term loans made by the Alabama Public School and College Authority to local governments. The rest consists of grants and reimbursements due from the federal government where collectability is reasonably assured.

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

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

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

3. Interfund Activity and Balances

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

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

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

4. Inventories

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

5. Investments

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

6. Restricted Assets

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

7. Capital Assets

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

Assets	Years
Buildings	40
Improvements Other than Buildings	25
Equipment	5-12
Software	10

Land, infrastructure, construction in progress and historical artifacts are not depreciated. The State has elected to apply the modified approach to accounting for infrastructure (e.g., roadways, bridges, and tunnels). Under this approach, the infrastructure assets are not depreciated because the State is committed to maintaining the assets at a minimum condition level that the Department of Transportation (ALDOT) has determined to be adequate to meet the needs of the citizens. Costs for maintenance and preservation are expensed in the period incurred. Additions and improvements are capitalized. The ALDOT maintains an inventory of all infrastructure assets and performs regular condition assessments of those assets to establish that they are in fact being maintained at or above the condition level established. ALDOT also makes an annual estimate of the cost necessary to maintain and preserve those infrastructure assets at the target condition level. The cost of infrastructure reported includes historical costs from 1980 to the present as required by GASB Statement No. 34 as well as historical costs preceding 1980.

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

8. Compensated Absences

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

Sick leave is accrued at a rate of four hours and twenty minutes semi-monthly. Employees may accumulate up to a maximum of 150 days sick leave. Employees may be compensated for one-half of the maximum accrued sick leave only upon retirement from state service. Tier 1 employees must have twenty-five years of service or have attained the age of 60 and have at least ten years of service to be eligible to retire. Tier 2 employees must have attained the age of 62 and have at least ten years of service to be eligible to retire. Tier 1 State Troopers must have twenty-five years of service or have attained the age of 52 and have at least ten years of service to be eligible to retire. Tier 2 State Troopers must have attained the age of 56 and have at least 10 years of service to be eligible to retire. If a state employee in the classified service dies while in active service to the State, the estate of the deceased employee receives a payment of fifty percent of the accrued and unused sick leave, not to exceed 600 hours, which the employee was credited with at the time of his or her death.

The monetary value of accumulated annual and sick leave payable upon termination or retirement is included in the government-wide statement of net position, proprietary fund financial statements, and fiduciary fund financial statements. In the governmental fund financial statements, amounts reported are for unused, matured leave amounts payable to employees whose employment was terminated by September 30. These amounts are paid to the employees during the first month after the end of the fiscal year so those actual payments were used to compute the amount payable. Amounts not payable from expendable available resources (long-term liabilities) are reported in the government-wide Statement of Net Position.

The liability for compensated absences was computed using salary rates effective at fiscal year-end including the employer's share of social security and Medicare taxes payable and represents annual and sick leave earned up to the allowable ceilings. The sick leave is calculated separately for vested and non-vested employees. Sick leave is subjected to an actuarially determined probability multiplier that the employee will remain to retire and collect sick leave. The probability multipliers are as follows:

	Vested	Non-vested
Public Education Employees	85.8 %	47.8 %
State Employees	82.1	37.0

9. Long-Term Obligations

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

10. Deferred Outflows and Deferred Inflows

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

11. Net Position and Fund Balances

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

Fund balances reported in the governmental fund financial statements are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either 1) not in spendable form, such as inventory and long term receivables; or 2) legally and contractually required to be maintained intact, such as the principal of a permanent fund. Restricted fund balances have constraints placed on the use of the resources that are either

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

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

F. New Accounting Pronouncements

During the current fiscal year, the State did not implement any new accounting pronouncements.

NOTE 2 - TAX ABATEMENTS

As of September 30, 2020, the State participates in the following tax abatement programs:

The Jobs Credit is intended to promote job creation in the State. Companies receiving the tax incentive must agree to a jobs commitment and minimum average wage commitment in a project agreement with the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-375, the jobs credit is equal to 3 percent of the previous year's payroll for eligible employees for a maximum of 10 years. Also, additional incentives can be granted for the following: 1) a 1 percent credit for companies locating in a targeted county; 2) a .5 percent credit for wages paid to veterans for companies employing at least 12 percent veterans, and 3) a .5 percent credit for companies locating within a former active duty military base that was closed by the Base Realignment and Closure process. Depending on the project agreement, the jobs credit may be paid to the taxpayer as a refund out of utility taxes regardless of the amount of utility taxes actually paid by the taxpayer or it may be claimed as a credit against utility taxes actually paid and carried forward up to 5 years. A company claiming more wages or jobs than paid or created is liable for the unearned portion of the jobs credit. The amount of abated taxes for fiscal year 2020 is $6,619,000 as a result of the Jobs Credit.

The Investment Credit is intended to promote capital investment in the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-376, the investment credit is equal to 1.5 percent of the capital investment up to 10 years or up to 15 years for targeted counties. Taxpayers receiving the tax incentive must agree to a jobs commitment and minimum wage commitment in a project agreement with the State. Income taxes, financial institution excise taxes, insurance premium taxes, or utility taxes can be abated. Depending on the project agreement, the investment credit may be claimed as a credit against taxes actually paid and carried forward up to 5 years. Also, credits may be transferred, or sold, at 85 percent or more of face value for the first 3 years if approved by the Governor. The amount of abated taxes for fiscal year 2020 is $4,202,000 as a result of the Investment Credit.

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

institution excise taxes can be abated. The amount of abated taxes for fiscal year 2020 is $41,000 as a result of the Apprenticeship Alabama program.

The Certified Capital Company (CAPCO) program is intended to increase the amount of available venture capital for small technology businesses. Pursuant to the *Code of Alabama 1975*, Section 40-14B, the CAPCO tax credit is equal to 100 percent of the investment in a CAPCO. Up to 5 percent may be taken each year through 2013 and up to 17.5 percent credit may be taken each year thereafter until the credits equal 100 percent of the investor's capital. The qualifying activities of the business must be manufacturing, processing, assembling products, or conducting research and development. Failure to meet the requirements could result in decertification and result in recapture of credits claimed and forfeiture of future credits. Insurance premium tax can be abated for insurance companies who invest in a CAPCO. The amount of abated taxes for fiscal year 2020 is $3,640,000 as a result of the CAPCO program.

The Enterprise Zone program is intended to stimulate business and industrial growth in depressed areas of the State both urban and rural. Pursuant to the *Code of Alabama 1975*, Section 41-23-24, a tax credit of $2,500 per new permanent employee can be claimed. Also, pursuant to the Code of Alabama, Section 41-23-30, sales and use taxes for construction and equipment, income taxes for 5 years, and business privilege taxes for 5 years can be abated. No taxes were abated for fiscal year 2020 as a result of the Enterprise Zone program.

The Film Incentive is intended to attract investment for qualified productions and qualified production companies, and increase employment opportunities. Pursuant to the *Code of Alabama 1975*, Section 41-7A-3, a rebate of 25 percent of all state certified expenditures and 35 percent of all payroll can be claimed, and exemptions from sales, use and lodgings taxes. Income taxes can be abated for qualified production companies. The total amount of abated taxes for fiscal year 2020 is $18,156,000 as a result of the Film Incentive.

The Growing Alabama Credit is intended to promote growth of business, industry and economic development in the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-403, a credit equal to contributions to a local economic development organization can be claimed. Income taxes can be abated. The amount of abated taxes for fiscal year 2020 is $17,957,000 as a result of the Growing Alabama Credit.

The Historic Rehabilitation Tax Credit Program is intended to promote the rehabilitation, preservation, and development of historic structures in the State. Pursuant to the *Code of Alabama 1975*, Section 40-9F, a 25 percent credit of qualified rehabilitation expenditures can be claimed. Income taxes or financial institution excise taxes can be abated. The amount of abated taxes for fiscal year 2020 is $5,607,000 as a result of the Historic Rehabilitation Tax Credit Program.

The New Markets Tax Credit is intended to promote investments in qualifying businesses in impoverished and low income communities. Pursuant to the *Code of Alabama 1975*, Section 41-9-218, the tax incentive is equal to 50 percent of the investment. The taxpayer must make a Qualified Equity Investment in the qualified community development entity which must be certified under the Federal New Market Tax Credit program. Income taxes, insurance premium tax or financial institution excise taxes can be abated. The amount of abated taxes for fiscal year 2020 is $7,986,000 as a result of the New Markets Tax Credit.

The Port Credit is intended to promote increased usage of the State's ports. Pursuant to the *Code of Alabama 1975*, Section 40-18-403, the credit is $50 per twenty-foot equivalent unit (TEU), $3 per net ton of bulk cargo or $0.04 per net kilogram for air cargo. New distribution or warehouse shippers investing at least $20 million and creating at least 75 net new jobs can be eligible to receive up to $100 per TEU over a 3 year period. Income taxes can be abated. The amount of abated taxes for fiscal year 2020 is $666,000 as a result of the Port Credit.

Other tax abatement programs include the Reinvestment and Abatements Act (code section 40-9G), the Tax Incentive Reform Act of 1992 (code section 40-9B), the Brownfield Development Tax Abatement (code section 40-9C), and the Economic Incentive Enhancement Act of 2007 (code section 40-9D). Property taxes, gross utility taxes, and sales and use taxes can be abated. The Reinvestment and Abatements Act is intended to promote capital reinvestment in the State and a tax incentive is based on the taxpayer's eligible capital reinvestment. The Brownfield Development Tax Abatement is intended to promote the redevelopment of former industrial or commercial sites that are probably contaminated. The Tax Incentive Reform Act of 1992 is intended to

promote industrial development. The Economic Incentive Enhancement Act of 2007 is intended to attract very large projects which create a substantial number of jobs and economic growth in the State. The amount of abated taxes for fiscal year 2020 is $74,280,000 as a result of these programs.

NOTE 3 - FUND BALANCES/NET POSITION

A. Restricted Net Position

The Government-wide Statement of Net Position reports $10.0 billion of restricted net position for the primary government, of which $1,655,671,000 is restricted by enabling legislation.

B. Restatements

Fund Balances and Net Position as of October 1, 2019 have been restated for prior period adjustments necessary to conform to GAAP.

Miscellaneous Special Revenue Funds has been restated by ($553,036,000). The difference consists of some Nonmajor Special Revenue funds being reclassified out of Miscellaneous Special Revenue Funds. The ETF Budget Stabilization Fund balance was restated $234,200,000, Veterans Affairs was restated $170,745,000, Commerce was restated $74,385,000, and Law Enforcement was restated $51,757,000. The Administrative Office of the Courts was restated by $79,143,000 of which $57,194,000 was restated due to an understatement of cash.

The Government-wide financial statements, beginning net position for governmental activities was restated from $20,408,226,000 to $20,461,721,000, an increase of $53,495,000. The difference consists of $57,194,000 for an understatement of cash and cash equivalents for the Administrative Office of the Courts and ($3,699,000) for an understatement of accounts payable for Office of Information and Technology .

The beginning net position for component units was restated from $9,417,172,000 to $9,413,495,000, a decrease of $3,677,000.00. The beginning net position for the Alabama Community College System was restated from $390,370,000 to $386,693,000, a decrease of $3,677,000. Both of these differences consists of ($7,434,000) for an overstatement of capital assets and $3,757,000 for an overstatement of accounts payable.

C. Fund Balance/Net Position Deficits

1. Primary Government

Miscellaneous Special Revenue Funds had a deficit unassigned fund balance of $8,514,000 because of accounts payable.

The Alcoholic Beverage Control Board, a major proprietary fund, had a deficit in unrestricted net position of $150,838,000 with a total net position deficit of $148,629,000. The deficits are largely due to the accruals for net pension liability, compensated absences, salaries payable, net OPEB liability, profits currently due to other funds, and deferred inflows. The Board, by law, operates on a cash basis and is required to distribute 100 percent of its profits as transfers to other funds.

Some of the internal service funds have deficits due to accruals for net pension liability, net OPEB liability and deferred inflows. The Telecommunications Fund had a deficit in unrestricted net position of $25,192,000 and a negative total net position of $20,390,000. The Service Division had a deficit in unrestricted net position of $1,393,000 and a negative total net position of $526,000. The State Motor Pool had a deficit in unrestricted net position of $1,834,000 as well as a negative total net position of $1,011,000. Other Internal Service Funds had a deficit in unrestricted net position of $1,578,000 as well as a negative total net position of $770,000.

2. Component Units

Auburn University, a major component unit, had a deficit in unrestricted net position of $154,705,000 due to accrued net pension liability, net OPEB liability and deferred inflows; however, it had a positive balance in total net position of $2,055,380,000 . The University of South Alabama, a major component unit, had a deficit in unrestricted net position of $229,206,000 due to accruals of net pension liability, net OPEB liability and deferred inflows; however, it had a positive balance in total net position of $604,663,000. Alabama Community College System, a major component unit, had a deficit in unrestricted net position of $250,585,000 due to accruals of net pension liability, net OPEB liability and deferred inflows; however, it had a positive balance in total net position of $508,579,000.

The following nonmajor component units had deficits in unrestricted net position driven by accruals of net pension liability, net OPEB liability and deferred inflows: Troy University, Alabama State University, Alabama Agricultural and Mechanical University, Jacksonville State University, the University of North Alabama, University of Montevallo, and the University of West Alabama had deficits of $16,452,000, $91,179,000, $78,883,000, $149,425,000, $80,587,000, $52,334,000, and $41,478,000, respectively. All of these institutions had a positive total net position with the exception of the University of West Alabama $(22,983,000).

The following other nonmajor component units had deficits in unrestricted net position driven by accruals of net pension liability, net OPEB liability and deferred inflows: Alabama Historical Commission, Alabama Institute for the Deaf and Blind, Athens State University, Space and Science Exhibit Commission, Marine Environmental Sciences Consortium, Crime Victims Compensation Commission, Historic Ironworks Commission, and Red Mountain Recreation Commission had deficits of $1,999,000, $58,061,000, $14,276,000, $14,967,000, $7,950,000, $2,725,000, $1,739,000, and $1,988,000, respectively. All of these other nonmajor component units had positive total net positions except for Alabama Institute for the Deaf and Blind $(29,733,000) and Crime Victims Compensation Commission $(1,779,000) .

D. Governmental Fund Restricted Fund Balances

(Amounts in Thousands)	
Economic Development and Regulation	
Economic Development Incentives	$ 82,317
Economic Regulation Programs	83,350
Total Economic Development and Regulation	165,667
Education and Cultural Resources	
Alabama Public School and College Authority	34,566
Local Schools	76,719
Industrial Training	83,940
Education Budget Stabilization	301,738
Education Trust Fund	816,917
Education Advancement and Technology Fund	259,543
Other	84,375
Total Education and Cultural Resources	1,657,798
Natural Resources and Recreation	
Department of Conservation	126,319
Forever Wild Land Trust	21,123
Forever Wild Stewardship	44,221
Other	10,226
Total Natural Resources and Recreation	201,889
Health	
Health Department	125,047
Medicaid	61,165
Mental Health	180,112

Environmental Management	47,977
Other	168,546
Total Health	582,847
Social Services	
Department of Human Resources	120,198
Rehabilitation Services	18,887
Veterans	183,262
Employment Security	20,597
Other	41,058
Total Social Services	384,002
Protection of Persons and Property	
Professional and Occupational Licensing	69,782
Law Enforcement and Investigations	44,846
Department of Corrections	32,299
Agricultural Products Oversight	39,718
Mine Reclamation	7,072
Youth Services	6,389
911 Service	29,928
Other	31,608
Protection of Persons and Property	261,642
Transportation	
State Roads and Bridges	327,807
Transportation Projects	159,256
Local Government Transportation Programs	21,650
Airfields	18,503
Total Transportation	527,216
General Government	
County and Municipal Capital Improvements	523,209
Judicial System	86,733
Economic and Community Affairs	50,147
Financial Administration	44,712
General Fund Budget Reserve Fund	5,000
Other	124,731
Total General Government	$ 834,532

E. Education Trust Fund Budget Stabilization Fund

The Rolling Reserve Act (Act 2011-003, as amended by Act 2015-538 and Act 2018-544) created an Education Trust Fund Budget Stabilization Fund. This fund will generally be used to reduce any future proration in the Education Trust Fund (ETF). The Education Trust Fund Rainy Day Account within the Alabama Trust Fund has been repaid in full; therefore, the ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund receive money when the ETF has revenues in excess of an appropriation cap defined in the Act. The ETF Budget Stabilization Fund receives money until the fund reaches 7.5 percent of the previous year's appropriations from the ETF, and then any excess money is transferred to the ETF Advancement and Technology Fund. The cap is the sum of recurring revenues deposited into the ETF in the last completed fiscal year preceding the calculation year adjusted up or down by: 1) the average annual percentage change in recurring revenues for the 14 highest of the 15 completed fiscal years preceding the date on which the calculation is made; 2) if legislation is enacted that will increase recurring revenues deposited into the ETF, an amount equal to 95 percent of the fiscal note attached to the legislative act is added to the cap; 3) if legislation is enacted that will decrease recurring revenues deposited into the ETF, the negative impact, based on the enacted fiscal note is subtracted from the cap; 4) any nonrecurring revenue; and 5) the amount required to be appropriated from the ETF to the Prepaid Affordable College Tuition Trust Fund. The Finance Director and the Legislative Fiscal Officer must certify their computation of the cap at the same time as the certification required by Amendment 803 to the Constitution of Alabama of 1901 (prior to the third day of each Regular Session). The Legislature may appropriate from the ETF Budget Stabilization Fund an amount equal to the difference between the preceding fiscal year's total appropriations from the ETF and the cap. Except as provided in the previous sentence, amounts in the ETF Budget Stabilization Fund may be withdrawn to prevent proration in the ETF or to provide loans to public schools or institutions of higher education for emergency repairs if a natural disaster is declared by the Governor. The Governor must certify to the State Comptroller and notify the Legislature that proration would occur in the ETF before funds may be withdrawn for proration. The ETF Budget Stabilization Fund has a balance of $302 million at the end of fiscal year 2020.

F. General Fund Budget Reserve Fund

The General Fund Budget Reserve Fund was created by Act 2020-115. This fund will generally be used to reduce any future proration in the General Fund. Beginning on October 1, 2020, twenty percent of the ending balance in the General Fund from the previous year fiscal year that was unanticipated and unappropriated by the Legislature as a beginning balance will be transferred to the General Fund Budget Reserve Fund by November 15 of each year if the balance in the General Fund Budget Reserve Fund is less than $100 million. The Governor must certify to the State Comptroller and notify the Legislature that proration would occur in the General Fund before funds may be withdrawn to prevent proration. If the balance in the General Fund Budget Reserve Fund is at least $50 million then amounts in the General Fund Budget Reserve Fund may be withdrawn by and through an independent supplemental appropriation bill enacted with a recorded vote of at least two-thirds of the membership of each legislative chamber to provide funding necessary for any of the following: 1) to offset a reduction in estimated revenues to the General Fund for the current year; 2) to fund state employee pay raises or bonuses; or 3) to provide funding for unanticipated obligations. The General Fund Budget Reserve Fund has a balance of $5 million at the end of fiscal year 2020 because of a General Fund supplemental appropriation to this new fund.

NOTE 4 - ASSETS

A. Cash Deposits

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

Bank deposits of both the primary government and its component units are entirely insured by Federal depository insurance or protected under the Security for Alabama Funds Enhancement (SAFE) Program. The *Code of Alabama 1975,* as amended, requires all State organizations, including component units, to deposit monies in a bank that participates in the SAFE Program. The SAFE Program is a multiple financial institution collateral pool administered by the State Treasurer. Each qualified public

depository is required to pledge collateral in accordance with the rules established by the SAFE Board of Directors. In the event that a qualified public depository defaults or becomes insolvent and the pledged collateral is insufficient to satisfy the claims of public depositors, the *Code of Alabama 1975,* Section 41-14A-9(3) authorizes the State Treasurer to make assessments against the other qualified public depositories in the pool so that there will be no loss of public funds. Also, all other public funds not managed by the State Treasurer are required to be deposited in a qualified public depository or placed through a qualified public depository which arranges for the funds to be deposited in federally insured banks or savings associations so that the funds and accrued interest earned on them are fully insured by the Federal Deposit Insurance Corporation and, at the same time, the qualified public depository receives or is credited with deposits from other banks or savings associations in an amount equal to or greater than the amount it arranged to be deposited in other banks and savings associations.

B. Investments

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

1. Primary Government

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

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

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

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

2. Fiduciary Funds

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

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

3. Component Units

Alabama Housing Finance Authority - The Authority is authorized to invest in bonds or other obligations issued or guaranteed by the U.S. Government, or any agency thereof, or the State of Alabama. Also, the Authority may invest in interest-bearing bank and savings and loan association deposits, any obligations in which a State-chartered savings and loan association may invest its funds, any agreement to repurchase any of the foregoing, or any combination thereof. Each of the trust indentures established under the Authority's mortgage revenue bond programs contain further restrictions on the investment of non-expended bond proceeds; however, each trust indenture must be consistent with the Authority's authorizing legislation with respect to the definition of eligible investments. The Authority's program investments consist of Government National Mortgage Association (GNMA), or Federal National Mortgage Association (FNMA) pass-through certificates, substantially all of which are pledged either as security for the mortgage revenue bonds or for obligations under reverse repurchase agreements.

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

The State's investments at September 30, 2020, are as follows:

Investment Types and Fair Value
(Amounts in Thousands)

Investment Types	Governmental Activities	Business-Type Activities	Fiduciary Funds (including Fiduciary Component Units)	Discretely Presented Component Units
U S Treasury Strips	$ 33,499	$ 22,047	$ 0	$ 0
U S Government Guaranteed Securities	755,976	5,222	1,817,188	529,599
U S Agency Securities	334,230	9,672	350,585	1,188,804
State and Local Government Securities	5,690	691	6,745	1,139
Mortgage Backed Securities	359,803	1,200	1,291,276	428,762
Commercial Paper	1,303,342	13,801	1,181,543	207,932
Corporate Bonds	482,366	29,430	3,323,500	374,292
Private Placements	172,969	—	484,768	—
Repurchase Agreements	50,404	—	—	—
International Bonds	31,097	—	—	89,141
Bond Mutual Funds	37,417	—	3,437,639	667,938
Domestic Equities	1,515,283	27,563	23,506,383	403,096
International Equities	537,898	—	5,557,172	116,492
Other Mutual Funds	408,815	30,278	1,418,722	888,555
Real Estate	295,444	4,310	3,519,892	70,221
Commingled Funds	115,517	—	—	3,100,495
Derivative Instruments	1,432	—	—	—
Guaranteed Investment Contracts	—	—	208,121	—
	$ 6,441,183	$ 144,214	$ 46,103,534	$ 8,066,466

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

Investments Per Investment Note	$ 6,441,183	$ 144,214	$ 46,103,534	$ 8,066,466
Certificates of Deposit †	1,250	7,370	—	45,459
Money Market Accounts - Savings †	616,513	40,505	80,446	716,519
Other Cash Equivalents †	(1,775,166)	(22,626)	(80,511)	(104,105)
Investments Classified as Restricted Assets †	(1,379)	—	—	2,718
Repurchase Agreements ††	(70,662)	—	—	—
Foundations and pooled investments §	—	—	—	826,707
Investments per Statements	$ 5,211,739	$ 169,463	$ 46,103,469	$ 9,553,764

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

C. Investment Risks

1. Credit Risk

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

The ratings of the State's investments as of September 30, 2020 are presented below.

Ratings of Fixed Maturities (Amounts in Thousands)

Moody's	Standard & Poor's	Governmental Activities	Business-Type Activities	RSA Fiduciary Component Units	Other Fiduciary Funds	Component Units
Aaa		$ 486,826	$ 13,247	$ 280,957	$ 130,178	$ 1,226,145
	AAA	40,642	674	—	236,309	238,176
Aa1		7,008	838	28,590	13,637	347
	AA+	2,299	—	—	3,535	27,438
Aa2		5,576	2,869	33,857	15,362	1,853
	AA	19,206	—	—	474,600	55,187
Aa3		10,043	2,410	16,792	7,722	643
	AA-	9,545	—	—	200	—
Aa		912	—	—	1,814	1,023
A1		23,308	6,035	159,218	41,664	1,011
	A+	6,216	—	—	1,455	—
A2		67,697	7,789	228,954	63,391	2,510
	A	9,000	—	—	3,590	120,221
A3		39,893	3,397	448,620	171,843	4,862
	A-	28,223	—	—	930	—
P1		1,282,489	13,644	50,239	50,019	10,683
P2		23,597	157	1,022,693	53,592	177,148
Baa1		36,229	1,447	497,129	174,959	7,985
	BBB+	29,405	—	—	—	—
Baa2		54,960	1,287	749,604	241,140	17,332
	BBB	27,897	320	—	68,456	121,034
Baa3		73,165	437	131,661	53,455	6,729
	BBB-	46,189	208	—	—	—
Ba1		18,375	—	44,965	22,542	352
	BB+	27,076	—	—	—	—
Ba2		22,337	32	27,995	6,944	1,579
	BB	16,647	—	—	—	16,195
Ba3		7,647	—	12,007	5,477	114
	BB-	8,131	—	—	—	—
B1		3,633	—	3,010	1,518	37
	B+	63,094	—	—	—	—
B2		14,004	—	—	—	—
	B	1,566	—	—	32,846	225
B3		9,545	—	—	—	—
	B-	2,111	—	—	—	—
Caa1		2,317	—	—	—	—
	CCC+	1,473		—	—	—
Caa2		281	—	—	—	—
Caa3		574	—	—	—	—
Ca		203	—	—	—	—
C		910	—	—	—	—
	D	160		—	730,545	—
U S Govt Guaranteed Securities §		948,769	27,272	2,167,388	918,203	629,275
Not Rated †		125,126	—	2,666,761	2,000	846,571
Totals		$ 3,604,304	$ 82,063	$ 8,570,440	$ 3,532,926	$ 3,534,745

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

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

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

As mentioned earlier the investments of the Alabama Trust Fund are limited to those authorized for the Retirement Systems of Alabama. Domestic fixed-maturity investments may consist of rated or non-rated securities. International fixed-maturity investments may consist of securities with a rating of at least A by one of the principal rating agencies at the time of purchase or acquisition, except that up to 2 percent of the fair value of each System's total portfolio may be invested in obligations of sovereign countries with a rating of Baa or BBB at the time of purchase. The Systems may hedge against the possible adverse effects of currency fluctuations on each System's portfolio of international fixed income obligations when it is considered appropriate. Short-term investments may consist of commercial paper rated at least A-2 and/or P-2, repurchase agreements, short-term U.S. securities, and other money market investments.

2. Interest Rate Risk

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

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

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

As of September 30, 2020, the State had the following investments and maturities:

Governmental Activities
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Treasury Strips	$ 6,089	$ 25,079	$ 2,332	$ 0	$ 33,500
U S Government Guaranteed Securities	56,283	554,251	64,900	80,542	755,976
U S Agency Securities	58,854	235,755	2,949	36,672	334,230
State and Local Government Securities	29	1,143	1,416	3,102	5,690
Mortgage Backed Securities	1	37,462	53,260	269,081	359,804
Commercial Paper	1,303,342	—	—	—	1,303,342
Corporate Bonds	65,197	144,952	147,778	124,438	482,365
Derivative Instruments	83	(225)	873	702	1,433
International Bonds	1,960	10,137	7,038	11,962	31,097
Private Placements	1,328	33,889	47,769	89,983	172,969
Bond Mutual Funds	30,984	3,281	1,906	1,245	37,416
Commingled Funds	—	12,480	56,877	17,125	86,482
Total	**$ 1,524,150**	**$ 1,058,204**	**$ 387,098**	**$ 634,852**	**$ 3,604,304**

Business-Type Activities
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Treasury Strips	$ 8,427	$ 13,620	$ 0	$ 0	$ 22,047
U S Government Guaranteed Securities	472	4,750	—	—	5,222
U S Agency Securities	1,318	5,507	1,683	1,165	9,673
State and Local Government Securities	—	691	—	—	691
Mortgage Backed Securities	—	333	414	452	1,199
Commercial Paper	13,801	—	—	—	13,801
Corporate Bonds	5,046	24,218	166	—	29,430
Total	$ 29,064	$ 49,119	$ 2,263	$ 1,617	$ 82,063

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

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Government Guaranteed Securities	$ 154,941	$ 606,137	$ 162,497	$ 320,421	$ 1,243,996
U S Agency Securities	49,172	100,286	93,744	11,068	254,270
Mortgage Backed Securities	39	1,373	54,688	867,292	923,392
Commercial Paper	1,072,932	—	—	—	1,072,932
Corporate Bonds	249,619	743,721	675,908	770,860	2,440,108
Private Placements	77,100	192,557	35,570	174,460	479,687
Bond Mutual Funds	2,156,055	—	—	—	2,156,055
Total	$ 3,759,858	$ 1,644,074	$ 1,022,407	$ 2,144,101	$ 8,570,440

Other Fiduciary Funds
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Government Guaranteed Securities	$ 101,304	$ 300,470	$ 58,829	$ 114,590	$ 575,193
U S Agency Securities	16,187	51,418	26,547	2,166	96,318
State and Local Government Securities	—	3,125	2,705	915	6,745
Mortgage Backed Securities	—	3,978	31,900	332,005	367,883
Commercial Paper	108,611	—	—	—	108,611
Corporate Bonds	120,335	298,404	201,713	262,939	883,391
Private Placements	—	—	5,081	—	5,081
Bond Mutual Funds	617,326	188,952	475,305	—	1,281,583
Guaranteed Investment Contracts	208,121	—	—	—	208,121
Total	$ 1,171,884	$ 846,347	$ 802,080	$ 712,615	$ 3,532,926

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

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Government Guaranteed Securities	46,775	371,288	25,169	5,593	448,825
U S Agency Securities	106,199	772,708	299,740	10,155	1,188,802
State and Local Government Securities	11	1,128	—	—	1,139
Mortgage Backed Securities	31	2,877	19,633	115,932	138,473
Commercial Paper	207,832	—	—	—	207,832
Corporate Bonds	5,601	14,262	10,337	15,791	45,991
Bond Mutual Funds	145,915	10,967	4,163	577	161,622
Commingled Funds	1,379	1,501	3,467	35,780	42,127
Total	$ 513,743	$ 1,174,731	$ 362,509	$ 183,828	$ 2,234,811

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

University of Alabama System Pool
(Amounts in Thousands)

Investment Type	Fair Value	Effective Duration
Endowment Fund:		
U S Government Guaranteed Securities	$ 6,062	11.9
Corporate Bonds	19,125	7.3
Non-U S Bonds	3,975	7.3
Mortgage Backed Securities	13,435	2.9
Commingled Bond Funds	38,074	3.3
Liquidity and Capital Reserve Fund:		
U S Government Guaranteed Securities	74,439	3.4
Corporate Bonds	169,834	3.0
Non-U S Bonds	85,166	3.0
Mortgage Backed Securities	253,872	2.0
Collateralized Mortgage Obligations	22,982	2.6
Commingled Bond Funds	306,087	2.9
Total	**$ 993,051**	

3. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy of the Alabama Trust Fund states that the aggregate fair value of international equities is limited to 24 percent of the aggregate fair value of the total portfolio with a target of 24 percent of the total portfolio. The exposure to emerging market securities shall be limited to 20 percent of the fair value of the international portfolio. Not more than 5 percent of the total stock portfolio may be invested in the common stock of any one corporation at the time of purchase and no more than 7 percent in any one corporation at fair value. Not more than 5 percent of the outstanding shares of any one company may be held by the portfolio. In addition, no more than the lesser of (2 times the sector weight in the index and 40 percent) valued at fair value may be held in any one economic sector as defined by the MSCI EAFE (Morgan Stanley Capital International Europe, Australasia, and the Far East) index classifications for developed market portfolios and by MSCI Emerging Markets index classifications for emerging markets portfolios.

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

The State's exposure to foreign currency risk at September 30, 2020 was as follows:

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

	Government-Type Activities		Business-Type Activities	RSA (Fiduciary Component Units)	Other Fiduciary Funds	Discretely Presented Component Units	
	International Equities	International Bond	International Equities	International Equities	International Equities	International Equities	International Bonds
Argentine Peso	$ 11,129	$ 76	$ 0	$ 0	$ 0	$ 0	$ 0
Australian Dollar	2,053	—	—	253,428	7,477	—	—
Brazilian Real	2,949	2,901	—	—	3,075	—	—
British Pound Sterling	55,432	—	—	520,863	16,643	—	—
Canadian Dollar	19,922	—	—	—	5	—	—
Chinese Yuan	—	1,511	—	—	11,209	—	—
Danish Krone	19,107	—	—	108,320	3,198	—	—
Euro	173,222	5,383	—	1,180,781	38,673	—	—
Hong Kong Dollar	34,412	—	—	130,293	4,625	—	—
Indonesian Rupiah	—	—	—	—	4,220	—	—
Israeli New Shekel	876	—	—	15,852	467	—	—
Japanese Yen	90,706	—	—	1,075,510	34,622	—	—
Mexican Peso	3,350	8,576	—	—	739	—	—
New Zealand Dollar	—	—	—	2,955	87	—	—
Norwegian Krone	4,071	—	—	21,574	638	—	—
Other	—	—	—	—	9,437	—	—
Russian Rouble	—	6,105	—	—	1,182	—	—
Saudi Riyal	—	—	—	—	709	—	—
Singapore Dollar	3,845	—	—	39,981	1,162	—	—
South African Rand	—	—	—	—	1,270	—	—
South Korean Won	8,553	—	—	—	3,548	—	—
Swedish Krona	22,175	—	—	133,174	3,930	—	—
Swiss Franc	53,277	—	—	450,991	14,060	—	—
Taiwan New Dollar	—	—	—	—	3,462	—	—
Thai Baht	—	—	—	—	798	—	—
Totals §	**$ 505,079**	**$ 24,552**	**$ 0**	**$ 3,933,722**	**$ 165,236**	**$ 0**	**$ 0**

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

4. Custodial Credit Risk

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

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

Alabama Trust Fund (ATF) – The ATF's custodian, Bank of New York Mellon (BNYM), provides a portion of the custodial services for the ATF. The ATF's custodial credit risk policy authorizes BNYM to hold securities in registered form in the name of its nominee. The policy requires BNYM to establish and maintain one or more securities accounts (book entry system) in which BNYM will hold the securities. These accounts are in the name of the ATF.

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

Investments Exposed to Custodial Credit Risk
(Amounts in Thousands)

	Governmental Type Activities	Business-Type Activities	Fiduciary Funds Other Than RSA	Discretely Presented Component Units
U S Government Guaranteed Securities	$ 18,007	$ 0	$ 31,793	$ 259
U S Agency Securities	12,677	—	100	454
State and Local Government Securities	—	—	6,745	—
Mortgage Backed Securities	3,717	—	3,115	—
Corporate Bonds	2,036	—	1,835	1,021
Repurchase Agreements	47,561	—	—	—
Domestic Equities	—	—	—	1,216
Other Investments	20,258	—	676	1,319
Total	**$ 104,256**	**$ 0**	**$ 44,264**	**$ 4,269**

5. Concentration of Credit Risk

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

The investment policy of the Alabama Trust Fund states that the investment portfolio shall be diversified by both asset class and within asset classes, by economic sector and industry. For equity investments, the aggregate investment in equity securities of any one issuing corporation shall not exceed 1 percent of the outstanding capital of such corporation. For fixed income investments, the portfolio is to be diversified so that no more than 15 percent is invested in one industry (does not apply to U.S. government and agency securities), and no more than 5 percent of the total fixed income portfolio may be invested in securities of any one corporation. As of September 30, 2020, there were no investments that exceeded the 5 percent of the total fixed income portfolio limit in any one corporation.

The investment policies of the Retirement Systems of Alabama limit the aggregate amount that can be invested in each class of investments. Domestic equity, international equity, fixed income, alternative investments, real estate, and short-term investments are limited to 60 percent, 25 percent, 50 percent, 20 percent, 15 percent, and 10 percent respectively, of the fair value of each System's aggregate portfolio. As of September 30, 2020, there were no RSA investments that reached these limitations.

D. Fair Value Measurement

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

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

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

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

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

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

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

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

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

As of September 30, 2020, the State had the following fair value hierarchies:

Governmental Activities
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Treasury Strips	$ 33,499	$ 0	$ 0	$ 0	$ 33,499
U S Government Guaranteed Securities	728,479	27,497	—	—	755,976
U S Agency Securities	299,607	34,623	—	—	334,230
State and Local Government Securities	2,518	3,172	—	—	5,690
Mortgage Backed Securities	6,624	353,013	166	—	359,803
Commercial Paper	7,000	1,296,342	—	—	1,303,342
Corporate Bonds	43,480	393,177	45,709	—	482,366
Derivative Instruments	(333)	1,765	—	—	1,432
Private Placements	—	172,969	—	—	172,969
Repurchase Agreements	50,404	—	—	—	50,404
International Bonds	—	31,097	—	—	31,097
Bond Mutual Funds	31,129	6,288	—	—	37,417
Domestic Equities	1,240,570	1,205	273,508	—	1,515,283
International Equities	537,898	—	—	—	537,898
Other Mutual Funds	75,600	—	333,216	—	408,816
Real Estate	—	—	295,444	—	295,444
Commingled Funds	29,036	—	86,481	—	115,517
Total	$ 3,085,511	$ 2,321,148	$ 1,034,524	$ 0	$ 6,441,183

Business-Type Activities
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Treasury Strips	$ 22,047	$ 0	$ 0	$ 0	$ 22,047
U S Government Guaranteed Securities	5,222	—	—	—	5,222
U S Agency Securities	9,672	—	—	—	9,672
State and Local Government Securities	691	—	—	—	691
Mortgage Backed Securities	3	1,197	—	—	1,200
Commercial Paper	—	13,801	—	—	13,801
Corporate Bonds	29,430	—	—	—	29,430
Domestic Equities	27,563	—	—	—	27,563
Other Mutual Funds	30,278	—	—	—	30,278
Real Estate	—	—	4,310	—	4,310
Total	$ 124,906	$ 14,998	$ 4,310	$ 0	$ 144,214

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

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Government Guaranteed Securities	$ 0	$ 1,243,996	$ 0	$ 0	$ 1,243,996
U S Agency Securities	—	254,270	—	—	254,270
Mortgage Backed Securities	—	923,392	—	—	923,392
Commercial Paper	—	1,072,932	—	—	1,072,932
Corporate Bonds	—	2,440,108	—	—	2,440,108
Private Placements	—	—	479,687	—	479,687
Bond Mutual Funds	—	2,156,055	—	—	2,156,055
Domestic Equities	18,493,610	1,466,666	1,600,493	—	21,560,769
International Equities	5,018,453	294,186	—	—	5,312,639
Real Estate	—	—	3,519,872	—	3,519,872
Total	$ 23,512,063	$ 9,851,605	$ 5,600,052	$ 0	$ 38,963,720

Other Fiduciary Funds
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Government Guaranteed Securities	$ 60,724	$ 512,468	$ 0	$ 0	$ 573,192
U S Agency Securities	9,317	86,896	—	—	96,213
State and Local Government Securities	6,845	—	—	—	6,845
Mortgage Backed Securities	3,115	364,769	—	—	367,884
Commercial Paper	—	108,611	—	—	108,611
Corporate Bonds	40,470	842,923	—	—	883,393
Private Placements	—	—	5,081	—	5,081
Bond Mutual Funds	976,658	304,926	—	—	1,281,584
Domestic Equities	1,920,812	24,802	—	—	1,945,614
International Equities	231,923	12,610	—	—	244,533
Other Mutual Funds	1,328,413	90,123	187	20	1,418,743
Guaranteed Investment Contracts	208,121	—	—	—	208,121
Total	$ 4,786,398	$ 2,348,128	$ 5,268	$ 20	$ 7,139,814

Discretely Presented Component Units
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Government Guaranteed Securities	54,873	474,726	0	0	529,599
U S Agency Securities	6,599	1,182,205	—	—	1,188,804
State and Local Government Securities	—	1,139	—	—	1,139
Mortgage Backed Securities	105,399	323,363	—	—	428,762
Commercial Paper	100	207,832	—	—	207,932
Corporate Bonds	259	374,033	—	—	374,292
International Bonds	—	89,141	—	—	89,141
Bond Mutual Funds	194,785	473,153	—	—	667,938
Domestic Equities	387,413	—	13,657	2,026	403,096
International Equities	116,492	—	—	—	116,492
Other Mutual Funds	296,912	5,012	2,907	583,724	888,555
Real Estate	16	120	70,085	—	70,221
Commingled Funds	264,463	775,206	41,307	2,019,519	3,100,495
Total	$ 1,427,311	$ 3,905,930	$ 127,956	$ 2,605,269	$ 8,066,466

E. Securities Lending

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

Cash collateral for TRS, ERS, and JRF is invested in the State Street Quality D Short-term Investments Fund (QDF). Cash collateral administered by State Street for ATF is invested in the State Street Global Securities Lending Trust (GSLT). Cash collateral investments are matured as needed to fulfill loan obligations. As of September 30, 2020, the average term of the loans secured by QDF was 24, 24, and 38 days, respectively for the TRS, ERS, and JRF. As of September 30, 2020, the average term of the loans secured by GSLT was 11 days for the ATF. Cash collateral investments are matured as needed to fulfill loan obligations. There is no direct matching of the maturities of the loans with the investments made with cash collateral. The following describes the QDF's and the GSLT's guidelines. The Investment Manager (State Street Bank) shall maintain the dollar-weighted average maturity of QDF and GSLT in a manner that the Investment Manager believes is appropriate to the objective of each; provided, that 1) in no event shall any eligible security be acquired with a remaining legal final maturity (i.e., the date on which principal must be repaid) of greater than 18 months, 2) the Investment Manager shall endeavor to maintain a dollar-

weighted average maturity of the QDF and GSLT not to exceed 75 calendar days and 3) the Investment Manager shall endeavor to maintain a dollar-weighted average maturity to final of the QDF and GSLT not to exceed 180 calendar days. At the time of purchase 1) all eligible securities with maturities of 13 months or less shall a) be rated at least A1, P1 or F1 by at least any two of the following nationally recognized statistical rating organizations: Standard & Poor's Corp. ("S&P"), Moody's Investor Services, Inc. ("Moody's"), or Fitch, Inc. ("Fitch"), or b) be determined by the Investment Manager to be of comparable quality and 2) all eligible securities with maturities in excess of 13 months shall a) be rated at least A-, A3 or A- by at least any two of S&P, Moody's or Fitch, or b) be determined by the Investment Manager to be of comparable quality. The QDF and the GSLT may invest up to 10 percent of its assets at time of purchase in commingled vehicles managed by State Street Global Advisors or its affiliates that conform to the Investment Policy Guidelines. The QDF and the GSLT both have duration pools. The duration pools include all asset backed securities (regardless of maturity) and securities of any type with a remaining maturity of 91 days or greater. Each investor owns a specified percentage interest in the duration pool which is redeemable only in kind, not in cash. The duration pools will not make additional investments.

The Bank of New York Mellon (BNYM) administers a portion of the securities lending program for the ATF. Certain securities from ATF are loaned to borrowers approved by the ATF Board of Trustees. Approved borrowers of securities provide acceptable cash collateral in the form of Federal funds or New York Clearing House funds as applicable for a particular loan. All security loans are open loans and can be terminated on demand by the ATF, BNYM, or the borrower. The initial collateral received shall have 1) in the case of loaned securities denominated in United States Dollars, cash collateral in the amount of 102 percent of the fair value of the loaned securities or 2) in the case of loaned securities which are not denominated in United States Dollars, cash collateral in the amount of 105 percent of the fair value of the loaned securities. Pursuant to the terms of the applicable securities loan agreement, BNYM shall, in accordance with BNYM's reasonable and customary practices, mark loaned securities to their fair value each business day based upon the fair value of the loaned securities as of the close of business the preceding business day, employing the most recently available pricing information, and receive and deliver collateral in order to maintain the amount of cash collateral at no less than the collateral requirement. The ATF cannot pledge or sell collateral securities received unless the borrower defaults. As of September 30, 2020, the average term of the loans was 65 days. Cash collateral investments are matured as needed to fulfill loan obligations. All approved investments shall be for the account and risk of ATF. To the extent any loss arising out of approved investments results in a deficiency in the amount of collateral available for return to a borrower, ATF agrees to pay BNYM on demand cash in an amount equal to such deficiency.

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

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

Investments purchased with cash collateral are held by the custodial agent, but not in the name of the lender. Securities pledged as collateral are held by the custodial agent, but not in the name of the lender. Letters of credit pledged as collateral are issued by the borrower's bank and are irrevocable. The fair value of the securities on loan and the fair value of the collateral pledged by the borrowers are demonstrated in the securities lending table. Since the amounts owed by the State and its component units exceeded the amounts the borrowers owed, there was no credit risk exposure as of September 30, 2020. There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses, and no recoveries of prior period losses during the year.

Securities Lending - Investments Lent and Collateral Received
(Fair Value in Thousands)

Type of Investment Lent	Governmental-Type Activities	RSA Fiduciary Component Units	Other Fiduciary Funds	Discretely Presented Component Units
For Cash Collateral				
Domestic Fixed Maturities	$ 63,147	$ 155,960	$ 56,022	$ 4,378
Domestic Equity	66,613	217,279	116,140	3,717
International Equity	3,117	725,985	1,713	—
Total Lent for Cash Collateral	132,877	1,099,224	173,875	8,095
For Non-cash Collateral				
Domestic Fixed Maturities	11,481	916,021	230,504	7,520
Domestic Equity	21,650	1,442,192	95,557	—
International Equity	—	94,008	5,961	—
Total Lent for Non-Cash Collateral	33,131	2,452,221	332,022	7,520
Total Securities Lent	**$ 166,008**	**$ 3,551,445**	**$ 505,897**	**$ 15,615**
Type of Collateral Received				
Cash Collateral				
Cash Collateral - Invested in				
State Street Quality D Fund	$ —	$ —	$ 53,435	$ —
State Street Global Securities Lending Trust	13,931	1,138,806	124,305	8,239
BNYM investments	120,943	—	—	—
Total Cash Collateral	134,874	1,138,806	177,740	8,239
Non-Cash Collateral				
For Lent Domestic Fixed Maturities				
Securities Collateral				
US Dollar	6,388	497,134	114,129	5,927
For Lent Domestic Equity Securities				
Securities Collateral				
US Dollar	23,275	1,581,414	102,239	—
For Lent International Equity Securities				
Securities Collateral				
EURO	—	4,695	—	—
British Pound Sterling	—	1,131	—	—
US Dollar	5,242	497,194	134,393	1,961
DKK	—	3,713	—	—
SEK	—	20,265	—	—
Total Non-Cash Collateral Received	**34,905**	**2,605,546**	**350,761**	**7,888**
Total Collateral Received	**$ 169,779**	**$ 3,744,352**	**$ 528,501**	**$ 16,127**

F. Mortgage-Backed Securities

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

The Alabama Trust Fund (ATF) invests in TBA (to be announced) purchase commitments, pursuant to which it agrees to purchase mortgage-backed securities. The TBA market developed in response to the demands of market participants for more liquidity in trading mortgage-backed securities. The TBA market is essentially a forward or delayed delivery market. The lender, or other market participant, will enter into a forward contract to sell mortgage-backed securities in the TBA market, promising to deliver mortgage-backed securities on the settlement date sometime in the future. At September 30, 2020, the ATF had investments in TBA mortgage-backed securities in the amount of $14,312,100. Included in investment purchases payable on the Statement of Net Position is a liability related to the cost of acquiring these securities. Generally, these securities are closed with a gain or loss prior to settlement. However, the ATF would be obligated for those amounts should the securities be delivered.

G. Investment Derivatives

Alabama State Port Authority - In December 2002, the Authority entered into a swaption contract in order to monetize potential debt service savings on the Authority's callable Docks Facilities Revenue Bonds Series 1996. The swaption gave the counterparty the option to enter into a variable-to-fixed interest rate swap at a specified future date. The counterparty exercised its option under the swaption agreement, and the interest rate swap commenced on October 1, 2006, with the Authority paying a fixed interest rate (5.38 percent) and the Authority receiving a variable interest rate (67 percent of the one-month LIBOR). Upon exercising of the option by the counterparty, the Authority issued variable-rate refunding bonds in an amount sufficient to refund the fixed rate Docks Facilities Revenue Bonds Series 1996. The Authority may be exposed to various risks such as credit risk and interest rate risk through the interest rate swap. As the interest rate swap is a liability at September 30, 2020 and 2019, the impact of credit risk is minimized. The swap agreement, which expires on October 1, 2021, is based on an amortizing notional amount, which was $15,555,000 at September 30, 2020. As of September 30, 2020 and 2019, the interest rate swap had a negative fair value of $423,000 and $1,013,000, respectively, and is included in the Statement of Net Position in Non current Liabilities: Due in More Than One Year as Other Long-Term Liabilities. Due to the negative position of the interest rate swap, the Authority previously posted collateral with a balance of approximately $7.6 million at September 30, 2020 and 2019. The interest rate swap is valued using Level 2 inputs calculated using an industry accepted option-pricing model that uses market interest rates and a volatility assumption on the valuation date. The interest rate and volatility data are used to calculate the present value of the potential future cash flows of the interest rate swap.

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

The following table presents the investment derivative instruments outstanding as of September 30, 2020 (in thousands), as reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position:

Investment Derivative Instruments
(Amounts in thousands)

	Changes in Fair Value §	Fair Value †		
	Amount	Classification	Amount	Notional
TRS				
Domestic Options Written	$ 113	Domestic Equity	$ (72)	$ (6,744)
Domestic Options Purchased	(184)	Domestic Equity	—	3,290
Total Domestic Options	$ (71)		$ (72)	$ (3,454)
International Options Written	—	International Equity	—	(104)
Total TRS Options	**$ (71)**	**Total TRS**	**$ (72)**	**$ (3,558)**
ERS				
Domestic Options Written	$ 60	Domestic Equity	$ (35)	$ (3,285)
Domestic Options Purchased	(95)	Domestic Equity	—	1,602
Total Domestic Options	$ (35)		$ (35)	$ (1,683)
International Options Written	—	International Equity	—	(49)
Total ERS Options	**$ (35)**	**Total ERS**	**$ (35)**	**$ (1,732)**
JRF				
Domestic Options Written	$ 2	Domestic Equity	$ (1)	$ (125)
Domestic Options Purchased	(3)	Domestic Equity	—	61
Total Domestic Options	$ (1)		$ (1)	$ (64)
International Options Written	—	International Stocks	—	(2)
Total JRF Options	**$ (1)**	**Total JRF**	**$ (1)**	**$ (66)**

§ The changes in fair value are included in Net Increase (Decrease) in Fair Value of Investments in the Statement of Changes in Fiduciary Net Position

† Fair value was zero at fiscal year end

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

GASB Statement No. 53 requires that the fair value of the financial arrangements called "derivatives" or "derivative instruments" be reported in the financial statements of state and local governments. The statement further requires that derivatives be categorized as either an investment derivative or a hedge derivative. All of the ATF's derivative exposures as of September 30, 2020, are categorized as investment derivatives and therefore the hedge accounting provisions of GASB Statement No. 53 are not applicable.

All derivative instruments are presented in the Statement of Net Position as Investments and are reported at fair value. ATF's custodian, Bank of New York Mellon (BNYM), uses market prices when available. BNYM uses market prices when available.

If market pricing is not available, BNYM uses pricing provided by Alabama Trust Funds' investment managers. Investment risks related to investment derivatives have been considered and included in the respective investment risks notes above in Note 4.C, except for additional disclosures for interest rate and credit risk, which have been included in this section.

The following table presents the derivative instruments outstanding as of September 30, 2020 for ATF:

Investment Derivative Instruments
(Amounts in thousands)

	Changes in Fair Value §	Fair Value as of September 30, 2020	
	Amount	Amount	Notional
Credit Default Swaps	$ 253	$ 160	$ 27,412
Interest Rate Swaps	1,435	1,605	23,188
Futures	(377)	(333)	(25,083)
Total Derivatives	$ 1,311	$ 1,432	$ 25,516

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

GASB Statement No. 53 requires the disclosure of the maximum amount of loss due to credit risk, based on the fair value of the instrument at the end of the fiscal year. The maximum amount of loss associated with all derivatives held by the ATF is $3,077,000. GASB Statement No. 53 also requires additional interest rate risk disclosures for investment derivatives that are highly sensitive to interest rate fluctuations. As mentioned above, these disclosures are included in Note 4.C.

H. Capital Assets

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

As of September 30, 2020, the capital assets for the Primary Government and the Component Units are presented in the following three tables:

GOVERNMENTAL-TYPE ACTIVITIES
(Amounts in Thousands)

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 404,713	$ 41,037	$ 69	$ 445,681
Historical Exhibits	4,127	—	—	4,127
Construction in progress	251,944	33,596	204,237	81,303
Construction in progress - Infrastructure	2,602,252	182,080	329,225	2,455,107
Infrastructure	17,573,482	329,225	—	17,902,707
Total capital assets not being depreciated	**20,836,518**	**585,938**	**533,531**	**20,888,925**
Capital assets being depreciated:				
Buildings	1,869,273	205,290	1,000	2,073,563
Equipment	777,528	74,883	45,898	806,513
Software and Other Intangible Assets	96,448	—	—	96,448
Total capital assets being depreciated	**2,743,249**	**280,173**	**46,898**	**2,976,524**
Less accumulated depreciation:				
Buildings	872,761	42,411	863	914,309
Equipment	442,531	59,850	35,557	466,824
Software and Other Intangible Assets	31,285	8,285	—	39,570
Total accumulated depreciation	**1,346,577**	**110,546**	**36,420**	**1,420,703**
Total capital assets being depreciated, net	**1,396,672**	**169,627**	**10,478**	**1,555,821**
Governmental-type activities capital assets, net	**$ 22,233,190**	**$ 755,565**	**$ 544,009**	**$ 22,444,746**

Depreciation Expense for the current year is charged as follows:

Economic Development and Regulation	$ 3,238
Social Services	6,960
Education and Cultural Resources	6,598
Natural Resources and Recreation	8,535
Health	9,929
General Government	19,128
Protection of Persons and Property	25,883
Transportation	30,275
Total Depreciation Expense	**$ 110,546**

The capital assets for business-type activities are:

BUSINESS-TYPE ACTIVITIES
(Amounts in Thousands)

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 77,079	$ 0	$ 25	$ 77,054
Historical Exhibits	2,350	—	—	2,350
Construction in progress	46,527	30,562	41,604	35,485
Intangible Assets Under Development	2,195	2,292	165	4,322
Inexhaustible Intangible Assets	10	—	—	10
Total capital assets not being depreciated	**128,161**	**32,854**	**41,794**	**119,221**
Capital assets being depreciated:				
Buildings	687,267	52,801	6,004	734,064
Equipment	399,569	9,036	1,428	407,177
Software and Other Intangible Assets	10,848	—	—	10,848
Total capital assets being depreciated	**1,097,684**	**61,837**	**7,432**	**1,152,089**
Less accumulated depreciation				
Buildings	359,860	18,439	4,022	374,277
Equipment	239,294	11,302	540	250,056
Software and Other Intangible Assets	8,586	2,256	—	10,842
Total accumulated depreciation	**607,740**	**31,997**	**4,562**	**635,175**
Total capital assets being depreciated, net	**489,944**	**29,840**	**2,870**	**516,914**
Business-type activities capital assets, net	**$ 618,105**	**$ 62,694**	**$ 44,664**	**$ 636,135**

Depreciation Expense for the current year is charged as follows:

State Port Authority	$ 28,344
Alcoholic Beverage Control Board	2,852
Other Nonmajor Enterprise Funds	801
Total Depreciation Expense	**$ 31,997**

The capital assets for component units are:

COMPONENT UNITS
(Amounts in Thousands)

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 385,753	$ 10,200	$ 56	$ 395,897
Historical Exhibits	133,620	601	5	134,216
Construction in progress	569,907	633,699	593,677	609,929
Total capital assets not being depreciated	**1,089,280**	**644,500**	**593,738**	**1,140,042**
Capital assets being depreciated:				
Buildings	12,492,806	713,433	27,759	13,178,480
Equipment	2,970,857	221,645	68,391	3,124,111
Software and Other Intangibles	188,455	13,777	4,343	197,889
Total capital assets being depreciated	**15,652,118**	**948,855**	**100,493**	**16,500,480**
Less accumulated depreciation				
Buildings	4,739,750	341,626	16,119	5,065,257
Equipment	2,271,576	168,854	58,320	2,382,110
Software and Other Intangible Assets	107,109	9,910	3,209	113,810
Total accumulated depreciation	**7,118,435**	**520,390**	**77,648**	**7,561,177**
Total capital assets being depreciated, net	**8,533,683**	**428,465**	**22,845**	**8,939,303**
Component Units capital assets, net	**$ 9,622,963**	**$ 1,072,965**	**$ 616,583**	**$ 10,079,345**

Depreciation Expense for the current year is charged as follows:

University of Alabama	$ 260,283
Auburn University	93,427
University of South Alabama	51,724
Alabama Community College System	53,325
Other Nonmajor Component Units	61,631
Total Depreciation Expense	**$ 520,390**

NOTE 5 - LIABILITIES

A. Future Commitments

1. Construction Projects

a. Primary Government
At September 30, 2020, the Department of Transportation had construction and maintenance contracts of $2,043,190,000. The amount already performed was $1,470,908,000, leaving an outstanding balance of $572,282,000. The funding sources for this amount are 65 percent federal funds and 35 percent State and local funds.

The State Port Authority has contracts for several projects with estimated costs to complete of approximately $33,800,000.

b. Component Units
The University of Alabama at Birmingham had construction and renovation commitments remaining at September 30, 2020 of approximately $165 million, which is expected to be financed from private gifts, grants, bond proceeds, and University of Alabama at Birmingham reserves.

Auburn University has entered into projects for the construction and renovation contracts for various facilities that are estimated to cost approximately $728.4 million. At September 30, 2020, the estimated remaining cost to complete the projects was approximately $293 million which will be funded from University funds and bond proceeds.

The University of Alabama at Tuscaloosa had construction and renovation contract commitments for several facilities at September 30, 2020. The estimated remaining costs to complete the construction and renovation was approximately $175 million which is expected to be financed from private gifts, grants, bond proceeds, and University funds.

At September 30, 2020, the University of South Alabama had commitments of approximately $14.5 million for various capital projects.

2. Operating Leases
The State and its component units have entered into various lease agreements for real property. These leases do not represent material commitments by the State, therefore disclosure of minimum future lease payments is not provided.

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

As of September 30, 2020, the State has committed to funding economic development grants and training totaling $158,659,000. Available cash for these commitments includes $2,850,000 from the 2012 Alabama Incentives Finance Authority bonds, $8,940,000 from the 2016-A General Obligation bonds, $77,858,000 from the 2018-A General Obligation bonds and $31,768,000 from the 2018-B General Obligation bonds. The State anticipates that of these commitments, $126,159,000 will be paid in fiscal year 2021 and $32,500,000 will be paid thereafter.

4. Encumbrances
Encumbrances represent commitments related to unperformed contracts and purchase orders for goods and services. Encumbrances are reported within governmental funds as restricted, committed, or assigned fund balance. At September 30, 2020, there were encumbrances in the General Fund totaling $5,825,000, the Education Trust Fund $399,000, the Public Road and Bridge Fund $41,360,000, the Medicaid Fund $1,308,000, the Public Welfare Trust Fund $4,774,000, the Alabama Trust Fund $119,000, and non-major governmental funds $48,377,000.

B. Claims and Judgments

The Department of Transportation finances its own risk for state employee injury compensation. The Department had $10,089,000 in claims liabilities at the end of the fiscal year.

C. Pollution Remediation Obligations

Auburn University conducts groundwater monitoring, monitored natural attenuation and clean-up in accordance with the Resource Conservation and Recovery Act (RCRA) and the Toxic Substances and Control Act. Additionally, asbestos abatement is necessary as older buildings on campus are demolished or renovated. The University, with the assistance of an outside consultant, prepared a 30-year Post Closure Cost Estimate related to all active and inactive solid waste management units managed through the University RCRA Facility permit. As of September 30, 2020, the total estimated pollution remediation liability (estimated using the expected cash-flow technique) is $3,744,000. The current portion of $674,000 is included in accounts payable and the long-term portion of $3,070,000 is included in Non-current Liabilities: Due In More Than One Year in the accompanying Statements of Net Position. The University does not expect to recover any funds from insurance or other third parties related to these obligations.

D. Conduit Debt

Revenue bonds were issued by Alabama Housing Finance Authority, a component unit, which constituted conduit debt outstanding at year-end totaling $91,348,000 to provide multifamily housing for the citizens of Alabama. The Authority does not actively monitor the operating performance or financial condition of the multifamily properties financed by the bonds. Multifamily mortgage loans are collateralized by varying methods, including first-liens on multifamily residential rental properties located within the State of Alabama, letters of credit, surety bonds and guarantees provided by third parties. These bonds do not constitute a debt or pledge of the faith and credit of the Authority or the State, and accordingly, have not been reported in the accompanying financial statements.

E. Long-term Debt

1. Debt Limitations and Methods of Bond Issuance

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

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

2. General Obligation Bonds - Governmental Activities

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

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

Maturity	Principal	Interest	Total
2021	$ 69,880	$ 25,882	$ 95,762
2022	59,135	22,603	81,738
2023	52,340	19,932	72,272
2024	54,640	17,484	72,124
2025	51,585	15,184	66,769
2026-2030	153,165	47,900	201,065
2031-2035	96,765	21,293	118,058
20362039	53,605	4,436	58,041
Total	591,115	**$ 174,714**	**$ 765,829**
Unamortized Premium	54,393		
	$ 645,508		

GENERAL OBLIGATION BONDS PAYABLE
(Amounts in Thousands)

General Obligation Issue (Amounts in Thousands)	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2020
Series 2010 A - Refunding Bonds	03/23/10	06/01/21	3.00 % to 5.00%	$ 4,615
Series 2010 B - Refunding Bonds	03/23/10	06/01/21	3.00 % to 4.00%	1,495
Series 2010 C - Refunding Bonds	05/11/10	06/01/21	3.30 % to 5.00%	8,100
Series 2013 A - Refunding Bonds	08/01/13	08/01/25	0.20 % to 3.30%	59,805
Series 2013 B	08/01/13	08/01/33	0.20 % to 4.40%	24,145
Series 2013 C - Refunding Bonds	08/01/13	08/01/21	0.50 % to 2.60%	265
Series 2014 A - Refunding Bonds	08/01/14	08/01/26	0.60 % to 2.60%	130,985
Series 2016 A	02/24/16	11/01/36	0.56 % to 3.14%	93,500
Series 2016 B	02/24/16	11/01/21	0.55 % to 1.05%	11,450
Series 2016 C - Refunding Bonds	10/06/16	08/01/32	1.19 % to 2.64%	105,140
Series 2018-A	12/06/18	11/01/38	2.49 % to 3.21%	98,360
Series 2018-B	12/06/18	11/01/26	2.85 % to 3.45%	34,155
Series 2018-C	12/06/18	11/01/23	1.91 % to 2.24%	19,100
Sub-total General Obligation Bonds				591,115
‡ Plus: Unamortized Premiums				54,393
Total General Obligation Bonds				**$ 645,508**

‡ Unamortized premiums $95 for Series 2010-A, $13 for Series 2010-B, $113 for Series 2010-C $2,980 for Series 2013-A, $823 for Series 2013-B, $3 for Series 2013-C, $10,375 for Series 2014-A, $8,262 for Series 2016-A, $317 for Series Series 2016-B, $14,935 for Series 2016-C, $15,401 for Series 2018-A and $1,076 for Series 2018-C.

3. Revenue Bonds

a. Primary Government - Governmental Activities

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

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

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

The Alabama Public Health Care Authority issues bonds for the purpose of funding the acquisition, construction, and equipping of buildings located in each county for the use of the Department of Public Health. Transfers received from the Department of

Public Health, along with income from investing idle funds are used for the payment of principal and interest on the bonds. A Municipal Bond Insurance Policy also guarantees payment of the bonds.

The Alabama Federal Aid Highway Finance Authority issues bonds for the purpose of funding the costs of constructing any roads, streets, parks, right of ways, bridges, railroad crossings, drainage structures, signs, guard rails, structures, interstates, surfaces, resurfaces, shoulders, road sides, or any other work which is eligible for federal aid financing assistance under Title 23, Chapter 1, of the United States Code and applicable regulations. The bonds are issued in anticipation of the receipt by the State of the federal share of the costs. Principal and interest paid for the current year and federal revenue were $113,839,000 and $960,606,000, respectively.

The Alabama Incentives Finance Authority issues bonds to fund financial commitments to industries relocating to Alabama under the terms of the State's Industrial Incentives legislation. Revenues from the Tennessee Valley Authority to the State "in lieu of taxes" are pledged for the payment of these bonds. Principal and interest paid for the current year and the "in lieu of taxes" revenue were $16,430,000 and $14,847,000, respectively.

The Alabama Public School and College Authority is authorized to issue bonds to construct and improve educational buildings. Revenue from the sales and use taxes, the leasing tax, and the utilities gross receipts and use taxes are pledged for the payment of these bonds. Principal and interest paid for the current year was $198,035,000. Sales taxes, use taxes, leasing taxes, and utilities gross receipts and use taxes for the current year were $2,782,879,000.

The Alabama Mental Health Finance Authority issues bonds for the acquisition, construction, improvement, and equipping of mental health facilities. Revenues from certain tobacco and liquor taxes are pledged for the payment of principal and interest on these bonds. Principal and interest paid for the current year was $2,116,000. Tobacco and liquor taxes for the current year were $36,504,000.

The Alabama Twenty-first Century Authority issues bonds for the purpose of promoting economic development and industrial recruitment for the State of Alabama. The bonds are special obligations of the Authority payable solely from the Trust Estate created under the Indenture. Principal and interest paid for the current year and tobacco settlement revenue were $15,950,000 and $16,000,000, respectively.

The Alabama Revolving Loan Fund Authority issues bonds for the purpose of making grants to the Regional Planning and Development Commissions which are utilized by the grantees as revolving loan funds. Revenues from privilege and license tax on providers of cellular radio telecommunication services are used to pay the debt. Principal and interest paid for the current year and cellular radio telecommunication privilege and license taxes were $1,828,000 and $26,741,000, respectively.

The Alabama Highway Finance Corporation issues bonds for the purpose of funding the state's share of the cost of constructing roads and bridges that the federal government and state funds jointly. The 0.07 gasoline tax, 0.13 diesel fuel tax, 0.06 diesel fuel tax, motor carrier tax, inspection fees, and identification marker fees are used to pay the debt. Principal and interest paid for the current year and specified taxes were 3,817,000 and $369,017,000 respectively.

The Alabama Economic Settlement Authority issued bonds to deposit funds in the Alabama Trust Fund and the General Fund Rainy Day Account, to provide additional funds to the Alabama Medicaid Agency, for the payment of cost of certain transportation projects, and to create a special fund to be known as the BP Settlement Fund. Settlement of claims against BP Exploration and Production, Inc. and proceeds from the bonds issuance will be used for payment of the bond principal and interest. Principal and interest paid for the current year and the BP settlement revenue totaled $53,838,000 and $53,333,000, respectively.

PRIMARY GOVERNMENT

Governmental Activities Revenue Bonds (Amounts in Thousands)	**Date Issued**	**Final Maturity Date**	**Interest Rates**	**Bonds Payable Sept. 30, 2020**
Alabama Building Renovation Finance Authority				
Series 2010	07/21/10	09/01/24	2.50 % to 4.00%	$ 9,310
Alabama Public Health Care Authority				
Series 2015	03/12/15	09/01/44	2.00 % to 5.00%	51,885
Series 2016	04/24/16	09/01/35	0.75 % to 3.12%	18,660
Alabama Federal Aid Highway Finance Authority				
Series 2012	12/06/12	09/01/26	0.35 % to 2.40%	63,265
Series 2015	01/21/15	09/01/36	2.34 % to 2.99%	505,735
Series 2016-A	11/23/16	09/01/36	3.11 % to 3.28%	236,395
Series 2017-A	06/26/17	06/01/37	0.91 % to 3.24%	375,725
Series 2017-B Refunding Bonds	06/26/17	09/01/26	1.56 % to 2.02%	139,975
Alabama Incentives Finance Authority				
Series 2009-B Refunding Bonds	09/17/09	09/01/29	1.93 % to 4.00%	58,870
Series 2019-A Refunding Bonds	09/01/19	09/01/29	1.27 % to 1.83%	19,290
Series 2019-B Refunding Bonds	09/01/19	09/01/42	2.15 % to 3.07%	130,500
Alabama Public School and College Authority				
Series 2007	12/5/07	12/01/27	2.50 % to 5.00%	77,205
Series 2009-D	12/03/09	12/15/25	3.70 % to 3.70%	145,880
Series 2010-Q	09/14/10	03/01/27	5.15 % to 5.15%	154,727
Series 2010-C - Direct Placement	11/29/10	12/01/20	2.48 % to 2.48%	12,725
Series 2010-D - Direct Placement	11/29/10	12/01/20	3.77 % to 3.77%	2,475
Series 2011-A	06/02/11	05/01/26	4.60 % to 4.60%	51,270
Series 2011-B Refunding Bonds	06/02/11	05/01/21	2.00 % to 5.00%	6,745
Series 2012-A Refunding Bonds	02/29/12	03/01/24	3.00 % to 5.00%	22,650
Series 2012-B Refunding Bonds	02/29/12	03/01/29	2.50 % to 5.00%	44,700
Series 2012-C Direct Placement	10/31/12	11/01/22	1.55 % to 1.55%	1,875
Series 2012-D Direct Placement	10/31/12	11/01/22	2.02 % to 2.02%	9,330
Series 2013-A	06/24/13	06/01/33	3.00 % to 5.00%	87,735
Series 2013-B	06/24/13	06/01/33	4.00 % to 5.00%	48,500
Series 2013-C	10/09/13	09/01/33	1.48 % to 4.10%	52,640
Series 2013-D	10/09/13	09/01/33	0.45 % to 4.25%	17,820
Series 2014-A Refunding Bonds	05/15/14	02/01/26	0.20 % to 2.72%	42,665
Series 2014-B	07/01/14	01/01/27	1.26 % to 2.80%	440,995
Series 2015-A Refunding Bonds	04/16/15	05/01/24	1.45 % to 2.17%	27,550
Series 2015-B Refunding Bonds	04/16/15	05/01/29	1.27 % to 3.23%	41,595
Series 2015-C	04/16/15	06/01/29	0.37 % to 2.98%	38,880
Sub-Total (Continued on next page)				$ 2,937,572

PRIMARY GOVERNMENT, Continued

Governmental Activities Revenue Bonds (Amounts in Thousands)	**Date Issued**	**Final Maturity Date**	**Interest Rates**	**Bonds Payable Sept. 30, 2020**
Sub-Total from previous page				**$ 2,937,572**
Alabama Public School and College Authority (Continued)				
Series 2016-A	06/23/16	06/01/36	0.75 % to 3.00%	25,155
Series 2017-A	10/24/17	12/01/37	1.05 % to 3.24%	17,245
Series 2019-A	05/15/19	05/01/39	1.53 % to 3.05%	25,070
Mental Health Finance Authority				
Series 2012 - Direct Placement	07/01/12	06/01/23	2.12 % to 2.12%	6,125
Alabama Twenty-first Century Authority				
Tobacco Settlement Revenue Bonds, Series 2012	03/08/12	06/01/21	3.00 % to 5.00%	15,230
Alabama Revolving Loan Fund Authority				
Series 2010	12/01/10	03/01/30	2.50 % to 6.13%	12,000
Alabama Highway Finance Corporation				
Series 2014 - Direct Placement	06/01/14	06/01/21	1.70 % to 1.70%	3,750
Series 2020A	08/04/20	08/01/40	0.11 % to 1.37 %	118,460
Alabama Economic Settlement Authority				
Series 2016-A	12/01/16	09/01/33	4.24 % to 4.29%	80,925
Series 2016-B	12/01/16	09/01/32	3.16 % to 4.26%	458,030
Sub-total Revenue Bonds Payable				3,699,562
§ Plus: Unamortized Premiums				261,080
† Less: Unamortized Discounts				(1,995)
Net Primary Government Revenue Bonds Payable, Governmental Activities				**$ 3,958,647**

§ Unamortized premium is $149,489 for Federal Aid Highway Finance Authority, $639 for Building Renovation Finance Authority, $391 for the Alabama Twenty-first Century Authority, $4,635 for the Alabama Public Health Care Authority, $70,144 for the Alabama Public School and College Authority, $3,610 for the Incentives Financing Authority, $18 for the Alabama Revolving Loan Authority and $32,155 for the Alabama Highway Finance Corporation.

† Unamortized discount is $1,995 for the Alabama Settlement Authority.

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

	Totals		Public Offerings		Direct Placements	
Maturity	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2021	$ 274,955	$ 158,738	$ 250,415	$ 158,158	$ 24,540	$ 580
2022	233,850	146,847	228,075	146,648	5,775	199
2023	232,990	136,377	227,025	136,295	5,965	82
2024	222,965	125,863	222,965	125,863	—	—
2025	215,825	115,840	215,825	115,840	—	—
2026-2030	1,371,087	387,756	1,371,087	387,756	—	—
2031-2035	780,420	177,237	780,420	177,237	—	—
2036-2040	327,575	36,008	327,575	36,008	—	—
2041-2044	39,895	3,407	39,895	3,407	—	—
	3,699,562	**$ 1,288,073**	3,663,282	**$ 1,287,212**	36,280	**$ 861**
Unamortized Premiums	261,080		261,080		—	
Unamortized Discounts	(1,995)		(1,995)		—	
Totals	**$ 3,958,647**		**$ 3,922,367**		**$ 36,280**	

b. Primary Government - Business-Type Activities

The Alabama State Port Authority issues bonds for the construction and maintenance of a wharf, warehouse, open storage area, and other port facilities at Mobile Bay. The bonds are secured by the gross revenues of the Authority derived from charges made by the Authority for all services provided. The Series 2008-A bonds pays a variable rate that is indexed to LIBOR (London Interbank Offered Rate). The Authority is in compliance with all debt covenants as of September 30, 2020. Principal and interest paid for the current year and gross revenues were $26,930,000 and $139,822,000, respectively.

PRIMARY GOVERNMENT

Business-Type Activities Revenue Bonds, Proprietary Funds (Amounts in Thousands)	**Date Issued**	**Final Maturity Date**	**Interest Rates**	**Bonds Payable Sept. 30, 2020**
State Port Authority				
Series 2008-A - Direct Placement	04/01/08	10/01/21	Variable	$ 15,700
Series 2017-A	02/23/17	10/01/35	1.12 % to 3.89%	121,995
Series 2017-B	02/23/17	10/01/20	1.41 % to 1.85%	4,280
Series 2017-C	02/23/17	10/01/36	3.68 % to 3.68%	6,130
Series 2017-D	02/23/17	10/01/40	1.32 % to 4.72%	130,095
Series 2018 - Direct Placement	03/29/18	04/01/21	2.38 % to 2.38%	46,986
Sub-total Revenue Bonds Payable, Proprietary Funds				325,186
Plus: Unamortized Premium				12,491
Net Primary Government Revenue Bonds Payable, Proprietary Funds				**$ 337,677**

Revenue Bonds
Business-type Activities - Port Authority
Debt Service Requirements to Maturity
(Amounts in Thousands)

	Totals		Public Offering		Direct Placement	
Maturity	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2021	$ 13,060	$ 13,036	$ 5,400	$ 12,039	$ 7,660	$ 997
2022	14,937	12,719	4,945	11,856	9,992	863
2023	13,813	12,447	11,825	11,622	1,988	825
2024	11,166	12,033	9,140	11,246	2,026	787
2025	11,630	11,567	9,565	10,820	2,065	747
2026-2030	64,183	50,041	53,250	46,922	10,933	3,119
2031-2035	79,692	34,738	67,675	32,723	12,017	2,015
2036-2040	98,230	15,506	85,020	14,704	13,210	802
2041	18,475	374	15,679	370	2,796	4
	325,186	**$ 162,461**	262,499	**$ 152,302**	62,687	**$ 10,159**
Unamortized Premiums	12,491		12,491		—	
Unamortized Discounts	—		—		—	
Totals	**$ 337,677**		**$ 274,990**		**$ 62,687**	

e. Component Units

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

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

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

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

COMPONENT UNITS Revenue Bonds (Amounts in Thousands)	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2020
Alabama Housing Finance Authority				
Single Family Bond Programs	2000-2016	2026-2036	2.43 % to 7.80%	$ 13,235
Alabama Water Pollution Control Authority				
Revolving Fund Loan Bonds	2010-2011	2021-2023	2.00 % to 4.00%	21,550
Alabama Drinking Water Authority				
Revolving Fund Loan Bonds	2012-2015	2024-2027	0.05 % to 5.00%	28,150
Alabama Space Science Exhibit Finance Authority	2014	2032	2.72 % to 5.09%	8,583
Higher Education				
University of Alabama - Tuscaloosa	2009-2019	2021-2049	1.25 % to 6.10%	1,128,766
University of Alabama - Birmingham				
Public Offerings	2005-2019	2021-2049	1.00 % to 5.80%	998,471
Direct Placements	2018	2023	2.06 % to 2.06%	13,990
University of Alabama - Huntsville	1980-2020	2021-2048	0.73 % to 6.13%	140,452
Athens State	2007-2015	2024-2030	2.35 % to 6.30%	10,754
Alabama A&M University	2015	2030-2045	various	84,096
Alabama State University				
Public Offerings	1982-2018	2022-2042	2.00 % to 5.43%	56,700
Direct Placements	2018	2038-2042	2.92 % to 2.96%	137,099
Auburn University	2001-2021	2021-2050	0.48 % to 5.49%	1,078,016
Jacksonville State University	2016-2020	2033-2051	various	134,795
University of West Alabama	2012-2020	2041-2042	various	51,935
University of Montevallo	1985-2019	2023-2047	1.75 % to 5.00%	47,906
University of North Alabama	2010-2020	2035-2045	2.00 % to 6.55%	91,865
Alabama Community College System	various	various	various	226,885
University of South Alabama	2010-2019	2024-2049	1.86 % to 5.00%	422,134
Troy University				
Public Offerings	2011-2020	2024-2030	various	114,865
Direct Placements	2015-2018	2037-2038	various	12,870
Total Revenue Bonds Payable				4,823,117
Less: Unamortized Discounts †				(785) †
Plus: Unamortized Premium §				291,363 §
				$ 5,113,695

† Unamortized discounts were $252 for the University of North Alabama and $533 for Alabama State University.
§ Unamortized premiums were $92,714 for the University of Alabama - Tuscaloosa, $67,740 for Auburn University, $32,141 for the University of South Alabama, $140 for the Water Pollution Control Authority, $21 for Alabama State University, $48,443 for the University of Alabama - Birmingham, $3,581 for the University of West Alabama, $11,952 for Jacksonville State University, $919 for the Alabama Drinking Water Authority, $12,068 for Troy University, $12,411 for the University of Alabama - Huntsville, $7,302 for the University of North Alabama and $1,931 for the University of Montevallo.

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

	Totals		Public Offerings		Direct Placements	
Maturity	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2021	$ 189,793	$ 182,789	$ 181,603	$ 178,134	$ 8,190	$ 4,655
2022	191,225	173,398	182,749	168,986	8,476	4,412
2023	211,779	166,349	191,733	162,244	20,046	4,105
2024	199,314	159,634	191,586	155,923	7,728	3,711
2025	193,155	152,321	185,706	148,875	7,449	3,446
2026-2030	1,023,209	647,400	984,862	633,526	38,347	13,874
2031-2035	1,056,560	445,954	1,017,970	437,612	38,590	8,342
2036-2040	959,984	259,585	928,880	256,999	31,104	2,586
2041-2045	511,547	99,896	507,518	99,777	4,029	119
2046-2050	270,631	25,702	270,631	25,702	—	
2051-2055	11,970	1,966	11,970	1,966	—	
2056-2057	3,950	240	3,950	240	—	—
	4,823,117	**$ 2,315,234**	4,659,158	**$ 2,269,984**	163,959	**$ 45,250**
Unamortized Premiums	291,363		291,363		—	
Unamortized Discounts	(785)		(785)		—	
Totals	**$ 5,113,695**		**$ 4,949,736**		**$ 163,959**	

4. Refunded Bonds

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

a. Primary Government

The State Port Authority issued Series 2020 bonds to refund Series 2018 bonds. The refunding resulted in an economic gain of $1,169,000. The cash flows of the new bonds is $60,154,000 (includes additional funds $3,014,000) compared to cash flows of the old bonds of $50,708,000 resulting in additional cash flows of $9,446,000.

b. Component Units

The University of Alabama at Birmingham issued Series 2019 C and D bonds to advance refund the Series 2010 A, B, and C bonds. As a result, the required cash flows decreased from $115.7 million to $105.1 million. The refunding resulted in an economic gain of $8.3 million.

The University of Alabama at Huntsville issued Series 2019 bonds to refund Series 2009A and 2010A bonds. The refunding resulted in a reduction of future cash flows of $596,000.

c. Advance Refunded Bonds

Advance refunded bonds with remaining balances at September 30, 2020:

Primary Government	**Amount**
Alabama Federal Aid Highway Finance Authority	$ 146,215,000
Alabama Incentives Finance Authority 2012-A	123,385,000
Component Units	
University of Alabama Birmingham Series 2010 A-B-C	75,500,000
University of South Alabama	80,310,000

5. Arbitrage

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

The regulations require the excess of the aggregate amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield to be rebated to the federal government. Income earned on excess earnings is also subject to rebate. Rebate payments, if required, are due at least once every five years over the life of the bonds. At September 30, 2020, there were no known outstanding liabilities for arbitrage.

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

6. Bonds Authorized But Not Issued

(Amounts in Thousands)

Primary Government	Authorized	Issued	Unissued
General Obligation Bonds §			
State of Alabama - Constitutional Amend 666	$ 750,000	$ 546,090	$ 203,910
State of Alabama - Constitutional Amend 887	50,000	50,000	—
Federal Aid Highway Finance Authority	Based on amount received in federal funds		
Farmers Market Authority	10,000	—	10,000
Highway Authority	20,000	7,000	13,000
Corrections Institution Finance Authority	83,000	19,000	64,000
Public Health Finance Authority	45,000	—	45,000
Public Health Care Authority	Unlimited		
Parking Deck Authority	13,000	—	13,000
Garrett Coliseum Redevelopment Corporation	100,000	—	100,000
Alabama Toll Road, Bridge and Tunnel Authority	Based on Authority's construction of toll road, bridge or tunnel projects payable from tolls and other revenues		
State Industrial Development Authority †	100,000	38,390	61,610
Mental Health Finance Authority	100,000	99,981	19
Alabama Public School and College Authority-Pool Bonds	Unlimited		
Alabama Public School and College Authority-Capital Improvement Bonds	308,000	205,710	102,290
Total Reporting Entity	**$ 1,579,000**	**$ 966,171**	**$ 612,829**

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

† The State Industrial Development Authority is authorized to issue a total of $100,000,000 in bonds in addition to any bonds authorized prior to 1991. No more than $40,000,000 in aggregate principal amount of such bonds may be outstanding at any one time. At September 30, 2020, there were no bonds outstanding.

7. Derivative Transactions - Interest Rate Swaps

University of South Alabama - The University is party to two derivatives with Wells Fargo Bank, the counterparty. In December 2013, Wells Fargo exercised its option with respect to the synthetic advance refunding of the Series 2004 Bonds to enter into an interest rate swap agreement with the University with an effective date of March 15, 2014. The resulting derivative is a 'receive-variable, pay-fixed' interest rate swap. As part of the overall plan of the synthetic refunding of the Series 2004 Bonds, the University redeemed those bonds in April 2014 with the proceeds from the Series 2014-A Bonds.

In September 2016, Wells Fargo exercised its option with respect to the synthetic advance refunding of the Series 2006 Bonds to enter into an interest rate swap agreement with the University with an effective date of September 1, 2016. The resulting derivative is a 'receive-variable, pay-fixed' interest rate swap. As part of the overall plan of the synthetic refunding of the Series 2006 Bonds, the University redeemed those bonds in December 2016 with the proceeds from the Series 2016-B, C, and D Bonds.

Objective of the Transactions

Both interest rate swaps were the result of the original January 2008 synthetic advance refunding of the Series 2004 and Series 2006 Bonds. The objective of these transactions was to realize debt service savings currently from future debt refunding and create an economic benefit for the University.

The 2014 swap will terminate in March 2024, when the Series 2014-A Bonds mature. The notional amount of the swap will at all times match the outstanding principal amount of the bonds. Under the swap, the University pays the counterparty a fixed semi-annual payment based on the annual rate of 4.9753% and receives on a monthly basis a variable payment of 68% of the one-month LIBOR plus .25%. Conversely, the Series 2014-A Bonds bear interest on a monthly basis at 68% of the one-month LIBOR rate plus .73%.

The 2016 swap will terminate in December 2036, when the Series 2016-B, C, and D Bonds mature. The notional amount of the swap will at all times match the outstanding principal amount of the bonds. Under the swap, the University pays the counterparty a fixed semi-annual payment based on an annual rate of 5% and receives on a monthly basis a variable payment of 68% of the one-month LIBOR plus .25%. Conversely, the Series 2016-B, C, and D Bonds bear a weighted average interest on a monthly basis at 68% of the one month LIBOR rate plus .79%.

Fair Value

The 2014 interest rate swap had a negative fair value of approximately $(9,138,000) at its inception. The amount, net of any amortization and adjustments to the fair value value, is reported as a borrowing arising from the 2014 interest rate swap as other long-term liabilities in the amount of $(3,001,000) in the Statement of Net Position at September 30, 2020. The change in the fair value of $652,000 during the year ended September 30, 2020, is reported as a deferred inflow and contra liability in the statement of net position since the interest rate swap is a hedging derivative instrument. Net deferred inflows of resources for the 2014 interest rate swap totaled $197,000 at September 30, 2020.

The 2016 interest rate swap had a negative fair value of approximately $(48,530,000) at its inception. This amount, net of any amortization and adjustments to fair value, is reported as a borrowing arising from the 2016 interest rate swap as other long-term liabilities in the amount of $(47,161,000) in the statement of net position at September 30, 2020. The change in fair value of the swap of ($5,064,000) during the year ended September 30, 2020, is reported as a deferred outflow and contra asset in the statement of net position since the interest rate swap is a hedging derivative instrument. Net deferred outflows of resources for the 2016 interest rate swap totaled $8,417,000 at September 30, 2020.

The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by a yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement.

Risks Associated with these Transactions

Interest Rate Risk

As the LIBOR rate decreases, the net payments on the swaps increase. This, however, is mitigated by the fact that a decline in the LIBOR rate will also result in a decrease of the University's interest payments on the Series 2014-A and Series 2016-B, C and D Bonds. The University's exposure is limited to .48% and .54% of the notional amounts, the difference in the payment from the counterparty and the interest payment on the Series 2014-A and the Series 2016-B, C, and D Bonds.

Credit Risk

As of September 30, 2020, the University was not exposed to credit risk on the interest rate swaps because they had a negative fair value. However, if interest rates change and the fair value of the derivatives become positive, the University would have a gross exposure to credit risk in the amount of the derivative's fair value. The counterparty was rated Aa2 by Moody's Investor Services and A+ by Standards and Poor's Ratings Services as of September 30, 2020.

Termination Risk
The University may be required to terminate the swaps based on certain standard default and termination events, such as failure to make payments, breach of agreements, and bankruptcy. As of the current date, no events of termination have occurred.

Derivative Payments and Hedged Debt
As interest rates fluctuate, variable rate debt interest and net derivative payments will fluctuate. Using interest rates as of September 30, 2020, and calculating interest for subsequent years using forward rates of one month LIBOR, debt service requirements for the 2014 interest rate swap payments, by fiscal year are as follows (amounts in thousands):

Fiscal	Variable Rate Loan		Interest Rate	
Year	Principal	Interest	Swap, Net	Total
2021	$ 7,280	$ 249	$ 1,267	$ 8,796
2022	7,655	162	947	8,764
2023	8,050	103	578	8,731
2024	8,455	37	193	8,685
2025	—	—	—	—
Totals	$ 31,440	$ 551	$ 2,985	$ 34,976

Debt Service requirements for the 2016 interest rate swap payments, by fiscal year, are as follows (amounts in thousands):

Fiscal	Variable Rate Loan		Interest Rate	
Year	Principal	Interest	Swap, Net	Total
2021	$ 0	$ 901	$ 4,639	$ 5,540
2022	—	860	4,680	5,540
2023	—	892	4,648	5,540
2024	—	976	4,565	5,541
2025-2029	31,020	5,183	18,350	54,553
2030-2034	39,835	3,501	10,256	53,592
2035-2038	29,145	551	1,885	31,581
Totals	$ 100,000	$ 12,864	$ 49,023	$ 161,887

8. Notes, Mortgages, and Capital Leases

Capital Leases
Primary Government
Debt Principal Requirements to Maturity
(Amounts in Thousands)

	Govt-type Activities	
Maturity	**Principal**	**Interest**
2021	$ 5,048	$ 4,146
2022	5,257	3,889
2023	5,442	3,622
2024	5,710	3,345
2025	5,795	3,054
2026-2030	29,195	10,733
2031-2035	20,153	4,957
2036-2040	10,822	1,850
2041-2045	3,633	345
2046-2050	671	106
2051-2052	191	11
Grand-totals	**$ 91,917**	**$ 36,058**

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

	Totals		Govt-type Activities		Business-type Activities	
Maturity	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2021	$ 10,483	$ 2,221	$ 10,483	$ 2,221	$ 0	$ 0
2022	10,415	1,948	9,475	1,948	940	—
2023	5,372	1,671	5,372	1,671	—	—
2024	5,661	1,507	5,661	1,507	—	—
2025	5,765	1,336	5,765	1,336	—	—
2026-2030	31,210	3,851	31,210	3,851	—	—
2031-2035	9,127	352	9,127	352	—	—
2036-2040	—	—	—	—	—	—
2041-2045	—	—	—	—	—	—
2046-2049	—	—	—	—	—	—
Grand-totals	**$ 78,033**	**$ 12,886**	**$ 77,093**	**$ 12,886**	**$ 940**	**$ 0**

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

Maturity	Principal	Interest
2021	$ 71,546	$ 8,385
2022	30,771	7,791
2023	14,671	7,263
2024	11,974	6,883
2025	10,777	6,567
2026-2030	71,911	26,141
2031-2035	49,691	16,668
2036-2040	36,270	9,776
2041-2045	20,918	5,361
2046-2049	13,550	1,549
Totals	**$ 332,079**	**$ 96,384**

At September 30, 2020, assets recorded under capital leases were as follows:

	Governmental Activities (Amts in Thousands)
Buildings	$ 174,132
Less: accumulated depreciation	82,676
Total	**$ 256,808**

The State leases office buildings and equipment with varying terms and options. Most buildings under capital lease have a term of twenty-five to thirty years, but can range from twenty to forty years. Capital leases are recorded at the lower of the present value of the future minimum lease payments or fair value. Principal and interest capital lease payments are recorded as expenditures of the applicable governmental function in the governmental fund. The largest capital leases in governmental activities are for buildings in county facilities used by the Department of Public Health and the Department of Human Resources.

9.Changes in Non current Liabilities

(Amounts in Thousands)	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	$ 657,570	$ 0	$ 66,455	$ 591,115	$ 69,880
Revenue Bonds - Public Offerings	3,770,132	118,460	225,310	3,663,282	250,415
Revenue Bonds - Direct Placements	60,060	—	23,780	36,280	24,540
Total Bond Principal	4,487,762	118,460	315,545	4,290,677	344,835
Plus: Premiums	333,556	32,155	50,238	315,473	—
Less: Discounts	2,153	—	158	1,995	—
Total Bonds Payable	4,819,165	150,615	365,625	4,604,155	344,835
Leases	91,054	5,844	4,982	91,916	5,048
Direct Borrowings	86,502	1,148	10,556	77,094	10,483
Claims & Judgments	98,005	31,651	14,158	115,498	3,905
Compensated Absences †	296,463	175,653	153,947	318,169	27,033
Net Pension Liabilities	3,264,041	864,635	550,473	3,578,203	—
Net OPEB Liability	2,730,126	315,125	1,423,637	1,621,614	—
Total Governmental Activities	**11,385,356**	**1,544,671**	**2,523,378**	**10,406,649**	**391,304**
Business-type Activities:					
Revenue Bonds - Public Offerings	281,225	—	6,235	274,990	5,400
Revenue Bonds - Direct Placements	73,005	46,986	57,304	62,687	7,660
Direct Borrowings	1,010	—	70	940	—
Claims & Judgments	17,661	34,000	20,463	31,198	28,797
Compensated Absences †	11,284	4,214	3,397	12,101	3,818
Net Pension Liabilities	80,305	23,119	17,103	86,321	—
Net OPEB Liability	129,326	15,544	67,522	77,348	—
Other Long-Term Liabilities ‡	5,053	183	—	5,236	164
Total Business-Type Activities	**598,869**	**124,046**	**172,094**	**550,821**	**45,839**
Total Primary Government	**$ 11,984,225**	**$ 1,668,717**	**$ 2,695,472**	**$ 10,957,470**	**$ 437,143**
Component Units:					
Revenue Bonds - Public Offerings	$ 4,718,434	$ 831,734	$ 600,432	$ 4,949,736	$ 182,953
Revenue Bonds - Direct Placements	182,764	—	18,805	163,959	6,840
Direct Borrowings	311,305	40,709	19,935	332,079	71,546
Compensated Absences †	185,699	16,654	1,064	201,289	154,579
Net Pension Liabilities	3,964,570	1,323,955	1,015,763	4,272,762	—
Net OPEB Liabilities	2,425,806	193,852	1,577,217	1,042,441	—
Claims & Judgments	119,796	1,310,384	1,302,567	127,613	47,214
Other Long-Term Liabilities §	130,161	168,428	4,404	294,185	—
Total Component Units	**$ 12,038,535**	**$ 3,885,716**	**$ 4,540,187**	**$ 11,384,064**	**$ 463,132**

† Compensated Absences debt is liquidated proportionately by all funds having payroll costs.

‡ Other Long-term liabilities are reported by the State Port Authority.

§ Other Long-term liabilities are payable as follows: University of Alabama at Tuscaloosa $143,595, University of Alabama at Birmingham $31,130, University of Alabama at Huntsville $1,050, Alabama State University $1,783 Auburn University $22,681, University of South Alabama, $75,478, University of North Alabama $230, the Alabama Community College System, $18,218, and Athens State University, $20.

NOTE 6 - DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

All of the deferred inflows of resources which total $548,409,000 reported in the Balance Sheet of the Governmental Funds are unavailable revenues that are not recognized as revenue under the modified accrual basis of accounting in the Statement of Revenues, Expenditures, and Changes in Fund Balances. The other Deferred Outflows of Resources and Deferred Inflows of Resources are summarized in the following tables.

(Amounts in Thousands)	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Deferred Outflows of Resources			
Losses from Bond Refundings	$ 34,843	$ 14,073	$ 48,916
Pension Related	381,299	9,432	390,731
OPEB Related	254,955	20,156	275,111
Total Deferred Outflows of Resources	**$ 671,097**	**$ 43,661**	**$ 714,758**
Deferred Inflows of Resources			
Gains from Bond Refundings	$ 2,913	$ 0	$ 2,913
Pension Related	48,304	2,127	50,431
OPEB Related	1,562,831	73,946	1,636,777
Total Deferred Inflows of Resources	**$ 1,614,048**	**$ 76,073**	**$ 1,690,121**

(Amounts in Thousands)	Business-Type Activities Enterprise Funds			
	State Port Authority	**Alcoholic Beverage Control Board**	**Nonmajor Enterprise Funds**	**Total Business-Type Activities**
Deferred Outflows of Resources				
Losses from Bond Refundings	$ 14,073	$ 0	$ 0	$ 14,073
Pension Related	2,332	6,195	905	9,432
OPEB Related	12,519	7,240	397	20,156
Total Deferred Outflows of Resources	**$ 28,924**	**$ 13,435**	**$ 1,302**	**$ 43,661**
Deferred Inflows of Resources				
Pension Related	$ 1,282	$ 353	$ 492	$ 2,127
OPEB Related	27,500	44,609	1,837	73,946
Total Deferred Inflows of Resources	**$ 28,782**	**$ 44,962**	**$ 2,329**	**$ 76,073**

(Amounts in Thousands)	Component Units						
	University of Alabama	Auburn University	University of South Alabama	Public Educ Emp Health Insurance	Alabama Community College System	Nonmajor Component Units	Total Component Units
Deferred Outflows of Resources							
Hedging Interest Rate Swap	$ 0	$ 0	$ 9,506	$ 0	$ 0	$ 0	$ 9,506
Losses from Bond Refundings	39,849	39,204	6,274	—	5,359	—	90,686
Pension Related	356,158	143,139	45,105	935	85,851	142,136	773,324
OPEB Related	159,559	55,488	36,730	448	41,699	64,915	358,839
Total Deferred Outflows of Resources	**$ 555,566**	**$ 237,831**	**$ 97,615**	**$ 1,383**	**$ 132,909**	**$ 207,051**	**$ 1,232,355**
Gains from Bond Refundings	$ 0	$ 0	$ 3,866	$ 0	$ 0	$ 0	$ 3,866
Advance Grant Revenue	4,500	387	—	—	1,813	—	6,700
Split Interest - Remainder Interest	2,338	—	—	—	—	—	2,338
Pension Related	135,828	29,920	41,787	139	39,237	42,907	289,818
OPEB Related	638,804	213,692	168,177	1,863	196,314	285,973	1,504,823
Total Deferred Inflows of Resources	**$ 781,470**	**$ 243,999**	**$ 213,830**	**$ 2,002**	**$ 237,364**	**$ 328,880**	**$ 1,807,545**

NOTE 7 - INTERFUND ACTIVITY AND INTRA-ENTITY BALANCES

A. Interfund Balances

Interfund balances as of September 30, 2020 consisted of (amounts in thousands):

	DUE FROM												
DUE TO	General Fund	Education Trust Fund	Medicaid Fund	Public Road & Bridge Fund	Public Welfare Trust Fund	Corona-virus Relief Fund	Non-major Govern-mental	Unem-ployment Compen-sation	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Internal Service Funds	Fidu-ciary Funds	Total
General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,449	$ 335	$ 0	$ 20,080	$ 0	$ 1	$ 0	$ 22,865
Education Trust	—	—	—	—	—	—	393	—	847	1	—	—	$ 1,241
State Port Authority	—	—	—	—	—	—	5,835	—	—	—	—	—	$ 5,835
Medicaid Fund	278	338	—	—	1,467	—	14,570	—	—	—	—	—	$ 16,653
Public Road & Bridge Fund	—	—	—	—	149	—	6	—	—	—	262	—	$ 417
Public Welfare Trust Fund	25	15	6,955	—	—	—	1,044	—	8,784	—	64	—	$ 16,887
Nonmajor Governmental	17,063	4,497	69,437	2,581	2,507	8,379	13,445	214	6,581	704	239	—	$ 125,647
Unemployment Compensation	—	—	—	—	—	85,000	1,043	—	—	—	—	—	$ 86,043
Alcoholic Beverage Control Board	—	—	—	—	—	—	12	—	—	—	—	—	$ 12
Nonmajor Enterprise Funds	2,284	—	—	—	—	—	4,065	—	—	—	19	—	$ 6,368
Internal Service Funds	1,969	299	962	1,333	1,645	323	5,776	21	183	—	1,183	3	$ 13,697
Fiduciary Funds	—	—	—	—	—	—	13	—	—	—	—	2	$ 15
Totals	$ 21,619	$ 5,149	$ 77,354	$ 3,914	$ 5,768	$ 96,151	$ 46,537	$ 235	$ 36,475	$ 705	$ 1,768	$ 5	$ 295,680

The majority of the interfund balances due to the Nonmajor Governmental Funds from the General Fund, Education Trust Fund, Medicaid, Unemployment Compensation Fund, and the Nonmajor Governmental Funds consist of routine short term borrowings of cash between funds of individual agencies.

The General Fund has interfund payables totaling $21,619,000 in total. Of that amount, $17,063,000 is to due to Nonmajor Governmental Funds. The majority of the interfund payables is $12,370,000 due to Department of Corrections, $2,712,000 due to Public Health, $4,998,000 owed to Alabama Department of Economic and Community Affairs, and $486,000 due to the Emergency Management Agency.

The Coronavirus Relief Fund has interfund payables totaling $96,151,000 in total. The majority of the payables is due to Unemployment Compensation in the amount of $85,000,000. Nonmajor Governmental is owed $8,379,000 from the Coronavirus Relief Fund.

The Education Trust Fund has interfund payables of $5,149,000 in total. Of that amount $4,497,000 was payable to Nonmajor Governmental Funds.

Medicaid owed $6,955,000 to the Public Welfare Trust Fund and $69,437,000 to Nonmajor Governmental Funds. Of the amount owed to Nonmajor Governmental Funds, $43,969,000 is due to Mental Health, $4,797,000 is due to Senior Services, $15,629,000 is due to Public Health, $1,509,000 is due to Youth Services with the remainder due to Rehabilitation Services, Attorney General and Early Childhood Education.

Nonmajor Governmental Funds have interfund payables totaling $46,537,000. Of that amount, $14,570,000 is owed to Medicaid, $13,445,000 is owed to other Nonmajor Governmental Funds, and $5,776,000 is owed to Internal Service Funds for goods and services.

The Alcoholic Beverage Control Board (ABC) has interfund payables totaling $36,475,000. ABC owed $20,080,000 to the General Fund and $8,784,000 to the Public Welfare Trust Fund. ABC is required by law to distribute profits and certain taxes collected to those two funds and local governments. The law also allows ABC to delay distribution for 120 days in order to maintain sufficient operating cash.

Nonmajor Governmental Funds has the largest interfund receivables, at $125,647,000. More than half, or $69,437,000 is due from Medicaid. The Medicaid Fund has the second most interfund receivables at $16,653,000. $12,258,000 of that amount is due from Department of Mental Health, a Nonmajor Governmental Fund. The Internal Service Funds rank third in interfund receivables, at $13,697,000. The Internal Service Fund receivables generally represent normal billings for services rendered or goods sold to the other funds late in the fiscal year which will be paid early in the subsequent fiscal year.

B. Balances with Component Units

Balances owed by state funds to component units at September 30, 2020, consisted of (amounts in thousands):

PAYABLE BY	The University of Alabama	Public Education Employees' Health Insurance	Nonmajor Component Units	Total
Coronavirus Relief Fund	$ 3,197	$ 6,300	$ 5,538	$ 15,035
Education Trust Fund	—	—	99	99
Public Road and Bridge Fund	—	—	6	6
Nonmajor Governmental	—	—	946	946
Internal Service Funds	—	—	437	437
Primary Government	—	—	4,370	4,370
Totals	$ 3,197	$ 6,300	$ 11,396	$ 20,893

Public Education Employees' Health Insurance, a Major component unit, has a receivable of $6,300,000 that is due from the Coronavirus Relief Fund. The second largest payable of $4,370,,000 is a long term payable owed by the primary government as a whole to the Water Pollution Authority, a nonmajor component unit.

Balances owed to state funds by component units at September 30, 2020 consisted of (amounts in thousands):

	PAYABLE FROM			
PAYABLE TO	University of Alabama	Public Education Employees' Health Insur	Nonmajor Component Units	Total
Public Road and Bridge Fund	$ 0	$ 0	$ 5	$ 5
Nonmajor Governmental	42,674	355	13,507	56,536
Nonmajor Enterprise	—	—	10	10
Internal Service Funds	—	2	107	109
Totals	$ 42,674	$ 357	$ 13,629	$ 56,660

The component units of the State owe $56,660,000 to various funds of the State. The largest amount, $$42,674,000, is owed by the University of Alabama to the Department of Mental Health for the purchase of the Bryce Hospital property and the construction of replacement facilities and to the Department of Conservation for a construction contract related to the Gulf State Park Project. $13,507,000 is owed to Nonmajor Governmental funds by Nonmajor Component Units. Of that amount, $165,000 is owed by the Water Pollution Control Authority. This payable is owed to the Department of Environmental Management primarily for administrative and payroll costs. State Insurance Fund, a Nonmajor Enterprise Fund, financed building renovations for Crime Victims Compensation, a Nonmajor Component Unit in the amount of $10,000 for a period of less than one year. The Internal Service Fund receivable of $40,000 is owed for routine billings of services rendered.

C. Balances between Component Units

There were not any balances owed between component units at September 30, 2020.

D. Interfund Transfers

Transfers among the various funds of the primary government during fiscal year 2020 were as follows (amounts in thousands):

	TRANSFERS IN													
TRANSFERS OUT	General Fund	Education Trust Fund	Alabama Trust Fund	Medicaid Fund	Public Road & Bridge Fund	Public Welfare Trust Fund	Non-major Govern-mental	Unem-ployment Compen-sation	State Port Authority	Alcoholic Beverage Control Board	Non-major Enter-prise	Internal Service Funds	Fidu-ciary Funds	Total
General Fund	$ 0	$ 0	$ 13,500	$ 22,817	$ 55	$ 76,400	$ 404,660	$ 0	$ 0	$ 0	$ 0	$ 12,955	$ 0	$ 530,387
Education Trust Fund	—	—	—	6,460	—	31,424	1,092,923	—	—	—	5,392	27	60,738	1,196,964
Alabama Trust	114,946	—	—	—	—	—	75,587	—	—	—	—	—	—	190,533
Medicaid	—	—	—	—	—	63,826	707,090	—	—	—	—	—	—	770,916
Public Road & Bridge Fund	—	—	—	—	—	—	160,958	—	—	—	—	214	—	161,172
Public Welfare Trust Fund	—	—	—	26,669	687	—	63,526	—	—	—	—	—	—	90,882
Coronavirus Relief Fund	51	3	—	—	—	—	142	385,000	—	265	1	2,627	—	388,089
Nonmajor Governmental	145,108	316,665	5,237	204,547	156,118	2,947	617,066	735	16,363	60	—	7,779	—	1,472,625
Unemployment Compensation	—	—	—	—	—	—	10,000	—	—	—	—	—	—	10,000
State Port Auth	—	—	—	—	—	—	62	—	—	—	—	—	—	62
Alcoholic Beverage Control Board	36,476	—	—	—	—	627	19,012	—	—	—	—	—	—	56,115
Nonmajor Enterprise	—	—	—	—	—	—	11,831	—	—	—	—	8	—	11,839
Internal Service Funds	—	—	—	—	—	—	550	—	—	—	—	6,233	—	6,783
Fiduciary Funds	—	—	—	—	—	—	1,454	—	—	—	—	—	—	1,454
Totals	$ 296,581	$ 316,668	$ 18,737	$ 260,493	$ 156,860	$ 175,224	$ 3,164,861	$ 385,735	$ 16,363	$ 325	$ 5,393	$ 29,843	$ 60,738	$4,887,821

Transfers are often made between funds as required by the legislature in the appropriation acts as well as by a variety of existing statutes. Of the $530,387,000 transferred to other funds by the General Fund, $321,456,000 was transferred in compliance with the appropriation acts. Of that amount, $76,375,000 was transferred to the Public Welfare Trust Fund, $68,500,000 was transferred to the Fair Trial Tax Fund, a Nonmajor Governmental Fund, $35,000,000 was transferred to Public Health , a Nonmajor Governmental Fund, and $45,794,000 was transferred to the Miscellaneous Special Revenue Funds, a Nonmajor Governmental Fund. The remaining General Fund transfers were made in small amounts to comply with a variety of statutes.

Of the $1,196,964,000 transferred out of the Education Trust Fund, $1,124,614,000 was transferred in compliance with the appropriation acts. Of that amount, Education Trust Fund Stabilization received $368,169,000 and Education Trust Fund Advancement and Technology Fund received $515,086,000. Also, the Prepaid Affordable College Tuition Fund (PACT), a Fiduciary Fund, received $60,738,000, the Public Welfare Trust Fund received $31,424,000, and the Mental Health Department received $56,866,000. The remaining Education Trust Fund transfers were made in small amounts to comply with various statutes.

The Coronavirus Relief Fund transferred out $388,089,000. Of that amount, $385,000,000 was transferred to Unemployment Compensation. The majority of the remaining transfers out was to Internal Service Funds in the amount of $2,627,000.

The Alcoholic Beverage Control Board transferred $36,476,000 to the General Fund which represents the General Fund's statutorily mandated share of the Board's profits. Also, $16,896,000 was transferred to the Miscellaneous Special Revenue Funds for law enforcement purposes in compliance with the appropriation acts.

The Alabama Trust Fund, in compliance with amendments to the Constitution of Alabama of 1901, is required to transfer a substantial portion of its earnings to other funds. In compliance with these amendments, the General Fund received $114,946,000 and the Nonmajor Governmental Funds received $75,587,000. Within the Nonmajor Governmental Funds, the Forever Wild Land Trust Fund received $15,000,000, the County Government Capital Improvement Fund received $16,449,000, the Municipal Government Capital Improvement Fund received $46,449,000, the Alabama Capital Improvement Trust Fund received $23,069,000, the County and Municipal Capital Improvement Trust Fund received $2,969,000 and the Senior Services Trust Fund received $1,645,000.

Medicaid transferred out $63,826,000 to the Public Welfare Trust and $707,090,000 to Nonmajor Governmental Funds to fund services provided to Medicaid recipients. Within Nonmajor Governmental Funds, the Department of Mental Health received $538,267,000, the Department of Public Health received $45,080,000, and the Department of Senior Services received $77,412,000. The Department of Youth Services and the Department Rehabilitation Services were the other Nonmajor Governmental Fund recipients.

NOTE 8 - RISK MANAGEMENT

A. Finance Department Division of Risk Management

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

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

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

1. State Insurance Fund

The State Insurance Fund (SIF) was established in 1923 and is under the *Code of Alabama 1975*, Section 41-15-1 for the purpose of insuring direct physical loss on buildings and contents in which title in whole or in part is vested in the State of Alabama or any of its agencies or institutions or in which funds provided by the State have been used for the purchases of land, construction of buildings, purchase or maintenance of any equipment, machinery, furniture, fixtures or supplies in such buildings and public school buildings together with the contents of all such buildings. All covered property shall be insured for no more than its

replacement cost and shall be insured for no less than 80 percent of its actual cash value. Salvage value coverage, used on property that is normally not insurable, is determined by applying eight percent of the property's reconstruction value. City boards of education may insure school buildings and property either in the State Insurance Fund or with an insurance company, whichever in the opinion of such board provides the best coverage for such school buildings and property. The principles of private industry insurance companies are utilized to establish rates, premium discounts, and experience credits to result in equitable premiums charged to policyholders. Excess insurance and reinsurance is acquired to assure the solvency of the fund. The State of Alabama, 122 city and county boards of education, and 19 entities in which State funds were used for capital acquisitions are participants in the pool.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported. This liability and expense is determined by a professional actuary. The SIF has a $20,000,000 cumulative loss or aggregate annual deductible and a $7,500,000 specific loss retention for all perils other than wind from named or numbered storms, and a $10,000,000 specific loss retention level for named and numbered wind losses. Excess insurance covers claims exceeding the retention levels with a $500,000,000 limit for named or numbered wind storms and a $2,000,000,000 limit for all other perils. Payments received in fiscal years 2020, 2019, and 2018 for settlements in excess of deductibles totaled $10,132,154, $37,285,883, and $33,787,148 respectively.

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

(Amounts in Thousands)	September 30, 2020	September 30, 2019
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 15,328	$ 13,639
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	34,000	18,974
Increase (Decrease) in provision for insured events of prior years	(1,514)	(2,423)
Total incurred claims and adjustment expenses	32,486	16,551
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(10,921)	(5,498)
Claims and adjustment expenses attributable to insured events of prior years	(7,693)	(9,364)
Total payments	(18,614)	(14,862)
Reported claims payable and estimated claims incurred but not reported at end of year	$ 29,200	$ 15,328

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

2. General Liability Trust Fund

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

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

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

(Amounts in Thousands)	September 30,	
	2020	2019
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 26,620	$ 27,706
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	7,209	5,449
Increase (Decrease) in provision for insured events of prior years	5,604	(1,207)
Total incurred claims and adjustment expenses	12,813	4,242
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(209)	(149)
Claims and adjustment expenses attributable to insured events of prior years	(3,136)	(5,179)
Total payments	(3,345)	(5,328)
Reported claims payable and estimated claims incurred but not reported at end of year	$ 36,088	$ 26,620

3. State Employee Injury Compensation Trust Fund

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

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

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

(Amounts in Thousands)	September 30, 2020	September 30, 2019
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 28,517	$ 29,574
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	5,915	6,292
Increase (Decrease) in provision for insured events of prior years	(2,887)	(2,514)
Total incurred claims and adjustment expenses	3,028	3,778
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(1,327)	(1,655)
Claims and adjustment expenses attributable to insured events of prior years	(2,237)	(3,180)
Total payments	(3,564)	(4,835)
Reported claims payable and estimated claims incurred but not reported at end of year	$ 27,981	$ 28,517

The Department of Transportation finances its own risk for state employee injury compensation. This table includes the changes in claims liabilities for the Department of Transportation as well as Risk Management. Claims liabilities at the beginning of the year for Transportation totaled $10,865,000, and total claims payments were $3,565,000 in 2020. The Department of Transportation had $10,089,000 in claims liabilities at the end of the year.

B. Health Insurance Plans

1. State Employees' Insurance Plan

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

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

(Amounts in Thousands)	September 30, 2020	September 30, 2019
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 31,428	$ 27,226
Incurred claims and adjustment expenses:		
Provision for insured claims of the current year	335,189	314,397
Adjustment to estimated claims incurred but not reported at end of year	470	1,484
Total incurred claims and adjustment expenses	335,659	315,881
Payments:		
Claims and adjustment expenses attributable to insured claims of the current year	(309,436)	(294,409)
Claims and adjustment expenses attributable to insured claims of prior years	(23,290)	(17,270)
Total payments	(332,726)	(311,679)
Reported claims payable and estimated claims incurred but not reported at end of year	$ 34,361	$ 31,428

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

2. Public Education Employees' Health Insurance

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

The State contributes a specified amount monthly to each respective participating school system. Each participating school system must then pay the employer rate to the PEEHIF each month. The employer rate per participant was $800 in 2020 and $800 in 2019. In addition to the employer payments each month, the employee pays certain premium amounts. PEEHIB established claims liabilities based on the actual cost of claims reported but not settled, and estimates of claims that have been incurred but not reported. Actual claims costs ultimately incurred may vary from estimated claims liabilities should the nature and frequency of actual claims vary from historical claims experience on which the estimates are based. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The following table presents the changes in claims liabilities during 2020 and 2019:

(Amounts in Thousands)	September 30,	
	2020	2019
Unpaid claims and claim adjustment expense at beginning of year	$ 84,506	$ 85,159
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	967,242	977,476
Increase (Decrease) in provision for insured events of prior years	5,543	(5,612)
Total incurred claims and adjustment expenses	972,785	971,864
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(876,282)	(888,007)
Claims and adjustment expenses attributable to insured events of prior years	(90,049)	(84,510)
Total payments	(966,331)	(972,517)
Total unpaid claims and adjustment expenses at end of year	$ 90,960	$ 84,506

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

3. Alabama State Port Authority

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

(Amounts in Thousands)	September 30, 2020	September 30, 2019
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 2,333	$ 2,799
Provision for claims	(192)	(312)
Total payments	(143)	(154)
Reported claims payable and estimated claims payable incurred but not reported at end of year	$ 1,998	$ 2,333

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

NOTE 9 - DEFERRED COMPENSATION

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

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

The Public Employees' Individual Retirement Account Fund/Deferred Compensation Plan (RSA-1) is administered and operated by its Board of Control. All members of the Teachers' Retirement System of Alabama, Employees' Retirement System of Alabama, Judicial Retirement Fund, employees of employers eligible to participate in the Employees' Retirement System pursuant to provisions of Code of Alabama 1975 Section 36-27-6, and public officials and employees of the State of Alabama or any political subdivision thereof (collectively, participating employers), are eligible to participate in this plan. At September 30, 2020, net position of the plan totaled $2,386,502,000.

State employees may also participate in the Alabama Deferred Compensation Plan sponsored by the Personnel Board and administered by Empower Retirement. The plan contract requires the assets to be held in trust for the benefit of plan participants. At September 30, 2020, net position of the plan totaled $659,760,000.

NOTE 10 - RETIREMENT PLANS

A. Aggregate Disclosures

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

Aggregate Amounts

(Amounts in Thousands)

	Total Pension Liabilities	Total Assets	(NPL)/ NPA *	Deferred Outflows	Deferred Inflows	Pension Expense
Governmental-type Activities	$ 9,507,115	$ 5,928,912	$ (3,578,203)	$ 381,299	$ 48,304	$ 328,619
Business-type Activities	242,903	156,786	(86,117)	9,434	2,127	8,259
Totals Primary Government	$ 9,750,018	$ 6,085,698	$ (3,664,320)	$ 390,733	$ 50,431	$ 336,878
Component Units	$14,098,899	$ 9,827,714	$ (4,271,185)	$ 755,523	$ 289,819	$ 435,018

* Includes $204 Net Pension Assets for business-type activities

B. Retirement Systems of Alabama

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

1. Plan Descriptions

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

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

The ERS Board of Control consists of 13 trustees. Four trustees are ex officio members: the Governor, the State Treasurer, the State Personnel Director, and the State Finance Director. Three trustees are vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of State government nor from any department of which an ex officio trustee is the head. The remaining six trustees of ERS are elected by members from the same category of ERS for a term of four years. These six trustees include one from the ranks of retired state employees, one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS, two vested active state employees and two vested active employees of an employer participating in ERS pursuant to *The Code of Alabama* § 36-27-6.

As of September 30, 2019, membership consisted of:

ERS Membership

Group	State Employees	State Police	Total
Retirees and beneficiaries currently receiving benefits	24,303	938	25,241
Post-DROP Retired Members Still in Active Service	241	—	241
Vested Inactive Members	1,069	22	1,091
Non-vested inactive members	22,696	12	22,708
Active members	28,292	681	28,973
Total	76,601	1,653	78,254

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

As of September 30, 2019, membership consisted of:

JRF Membership

Group	State Employees
Retirees and beneficiaries currently receiving benefits	452
Terminated employees entitled to but not yet receiving benefits	19
Non-vested inactive members	28
Active members	366
Total	865

a. Benefits Provided

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

Tier 1 employees are those employees who were hired before January 1, 2013. This paragraph describes benefits available to Tier 1 employees. Teachers and state employees who retire after age 60 (52 for state police) with 10 years of credited service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service retirement benefits are calculated by two methods with the member receiving payment under the method which yields the highest monthly benefit: 1) minimum guaranteed, or 2) formula. Under the formula method, members of TRS and ERS (except state police) are allowed 2.0125 percent of their final average salary (highest 3 of the last 10 years) for each year of service. State police are allowed 2.875 percent for each year of state police service in computing the formula method. Disability retirement benefits are calculated in the same manner. JRF benefits vest from five to eighteen years. Except for justices or judges who were either disabled, elected prior to July 30, 1979, or have at least 25 years of credited service, no justice or judge shall be eligible to receive judicial service retirement pay prior to attaining sixty years of age. Service retirement benefits for justices and judges are dependent upon the particular office held in the judicial branch of government. A retirement benefit is payable upon the request of any member who has: 1) 25 years of credited service (regardless of age), 2) completed 12 years of credited service and has attained age 65, 3) completed 15 years of credited service and whose age plus service equals or exceeds 77, 4) completed 10 years of credited service and has attained age 70, or 5) been elected prior to July 30, 1979 and has 18 years of service (regardless of age). A member eligible to retire who has not requested his retirement benefit to commence at the end of the term in which his seventieth birthday occurs is entitled only to the refund of his contributions (except for members with at least 25 years of credited service). The service retirement benefit for circuit, appellate, and probate judges is 75 percent of the member's salary at the time of separation from service. The service retirement benefit for a district judge is 75 percent of the position's salary immediately prior to retirement.

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

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

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

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

b. Pension Plan Financial Report

RSA issued a stand-alone financial report that includes financial statements and required supplementary information (including GASB Statement No. 67 disclosures) for the year ended September 30, 2020. Copies may be obtained from the RSA website at www.rsa-al.gov or by writing to:

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

2. Summary of Significant Accounting Policies

a. Basis of Accounting

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

b. Investments

The Boards of Control of the Systems have the responsibility and authority to invest and reinvest available funds, through the Secretary-Treasurer and Investment Committee, in bonds, mortgage-backed securities, common and preferred stock, or other investment vehicles with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use. All plan assets are carried at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Mortgage-backed securities are reported based on future principal and interest payments discounted at the prevailing interest rate for similar investments. The fair value of real estate investments is based on independent appraisals or cost, when cost approximates fair value. Generally, private placements are valued based on the selling price of similar investments sold in the open market. In those instances where similar investments are not sold in the open market, an independent appraisal is performed to determine the fair value. RSA invests in limited partnerships which are long-term and generally illiquid. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to dissolution. These partnership investments are valued using their respective net asset values (NAV). The most significant element of the NAV is the fair value of the investment holdings. These holdings are valued by the general partners in conjunction with management, investment advisers, and valuation specialists. The valuation techniques vary based on investment type and involve a certain degree of expert judgment. The fair value of these investments could differ significantly if a ready market for these assets existed. As of September 30, 2020, the TRS, ERS and JRF did not own any debt and equity securities that represented 5.00% or more of their total investments.

3. Employee Contribution Requirements

State Law established the contribution requirements and must be amended by state statute. The required contribution rate of active plan members for TRS and ERS (excluding state policemen, and certified firefighters, police officers and correctional officers) is 7.5 percent and 6.0 percent of earnable compensation for Tier 1 and Tier 2 members, respectively. State policemen are required to contribute 10 percent of earnable compensation. JRF members and Tier 1 certified firefighter, police officer, and correctional officer members of the TRS and ERS are required to contribute 8.5 percent of earnable compensation**.** Tier 2 certified law enforcement, correctional officers, and firefighters of the TRS and ERS are required by statute to contribute 7 percent of earnable compensation.

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

a. TRS

Employer Contributions Required and Made

As required by statute, the employer contribution rate is actuarially determined based on the amount needed in addition to employee contributions to fund the costs of member benefits earned during the year and to fund unfunded accrued liabilities. For fiscal year 2020, the required employer contribution rate was 12.43 percent for Tier 1 and 11.34 percent for Tier 2. Total employer contributions for fiscal year 2020 were $15,805,000 for the primary government ($15,463,000 for governmental activities and $342,000 for business-type activities), and $333,439,000 for discretely presented component units.

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

The collective net pension liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability (NPL) was determined by an actuarial valuation as of September 30, 2017. Update procedures were used to roll forward the NPL to the reporting date. Each participating TRS unit included in the State's financial report has its own proportion of the collective net pension liability based on the individual participating units' share of contributions to the pension plan relative to the total employer contributions of all participating TRS units. At September 30, 2020, the proportionate share of the primary government and component units' net pension liability was as follows:

TRS

Proportionate Share of Net Pension Liability

	Current Year Proportionate Share	Prior Year Proportionate Share	Change in Proportionate Share
Governmental-type Activities	1.78 %	1.81 %	(0.03) %
Business-type Activities	0.04	0.04	—
Totals Primary Government	**1.82 %**	**1.85 %**	**(0.03) %**
Component Units	**39.90 %**	**39.22 %**	**0.68 %**

For the year ended September 30, 2020, the primary government recognized pension expense of $18,279,000 (governmental-type activities - $17,888,000 and business-type activities - $391,000) and component units recognized a pension expense of $428,806,000.

As of September 30, 2020 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 6,852	$ 141	$ 6,993	$ 146,489
Differences between expected and actual experience	2,909	60	2,969	62,201
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,557	209	1,766	68,575
Change in Assumptions	6,062	125	6,187	129,620
Employer contributions subsequent to the measurement date	15,463	342	15,805	333,439
Total Deferred Outflows of Resources	**$ 32,843**	**$ 877**	**$ 33,720**	**$ 740,324**
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 6,525	$ 134	$ 6,659	$ 139,525
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,134	357	8,491	148,808
Total Deferred Inflows of Resources	**$ 14,659**	**$ 491**	**$ 15,150**	**$ 288,333**

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

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

Fiscal Year Ended	Governmental Activities	Business-type Activities	Component Units
2021	$ 121	$ 2	$ 5,263
2022	207	3	9,034
2023	1,156	19	50,360
2024	1,260	20	54,904
2025	(23)	—	(1,009)

Actuarial Assumptions

The actuarial assumptions used in the actuarial valuation as of September 30, 2018, were based on the results of an actuarial experience study for the period October 1, 2010 through September 30, 2015. The actuarial valuation as of September 30, 2018, was prepared based on an assumed investment rate of return of 7.75%. Subsequent to the valuation, the Board of Trustees adopted a rate of return of 7.70% effective as of the Measurement Date.

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

Inflation	2.75%
Projected salary increases	3.25% - 5.00%
Investment rate of returns*	7.70%

*Net of pension plan investment expense, including inflation

Post-Retirement Mortality rates for TRS service retirements and dependent beneficiaries were based on the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for all ages for males and 112% for ages 78 and over for females. The rates of disabled mortality were based on the RP-2000 Disabled Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% for females.

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

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	17.00 %	4.40 %
U.S. Large Stocks	32.00	8.00
U.S. Mid Stocks	9.00	10.00
U.S. Small Stocks	4.00	11.00
International Developed Market Stocks	12.00	9.50
International Emerging Market Stocks	3.00	11.00
Alternatives	10.00	10.10
Real Estate	10.00	7.50
Cash Equivalents	3.00	1.50
Total	**100.00 %**	

*Includes assumed rate of inflation of 2.50%.

Discount rate

The discount rate used to measure the total pension liability was 7.70 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the State's proportionate share of the net pension liability calculated using the discount rate of 7.70 percent, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.70 percent) or 1 percentage point higher (8.70 percent) than the current rate:

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

	1% Decrease (6.70%)	Current Rate (7.70%)	1% Increase (8.70%)
Governmental-type Activities	$ 267,116	$ 196,762	$ 137,226
Business-type Activities	5,498	4,050	2,825
Total Primary Government	**$ 272,614**	**$ 200,812**	**$ 140,051**
Component Units	**$ 5,711,285**	**$ 4,207,023**	**$ 2,934,069**

b. JRF

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

Employer Contributions Required and Made

As required by statute, the employer contribution rate is actuarially determined based on the amount needed in addition to employee contributions to fund the costs of member benefits earned during the year and to fund unfunded accrued liabilities. For fiscal year 2020, the required employer contribution rate was 40.40 percent. Total employer contributions for fiscal year 2020 were $18,099,000.

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

The collective net pension liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability (NPL) was determined by an actuarial valuation as of September 30, 2018. Update procedures were used to roll forward the NPL to the reporting date. All JRF activities are reported in the primary government - governmental-type activities. The State recognized pension expense of $16,070,000 and grant expense for non-employer support provided to counties of $2,393,000.

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

JRF
Net Pension Liability
(Amounts in Thousands)

	Employer Share	Non-employer* Share	Total NPL
	$ 129,233	$ 21,676	$ 150,909
Proportionate Share - Current Year	85.64 %	14.36 %	
Proportionate Share - Prior Year	84.93 %	15.07 %	
Change in Proportionate Share	0.71 %	(0.71) %	

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

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

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 0	$ 9,053
Net difference between projected and actual earnings on pension plan investments	1,277	—
Change In Assumptions	1,984	—
Employer contributions subsequent to the measurement date	18,099	—
Total Primary Government	**$ 21,360**	**$ 9,053**

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

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

Fiscal Year Ended	Employer Pension Expense	Non-employer Grant Expense
2021	$ (4,833)	$ (810)
2022	(2,659)	(446)
2023	364	61
2024	2,168	363

Actuarial Assumptions
The actuarial assumptions used in the actuarial valuation as of September 30, 2017, were based on the results of an actuarial experience study for the period October 1, 2010 through September 30, 2015. The valuation was prepared based on an assumed investment return of 7.65%.

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

Inflation	2.75%
Projected salary increases, including inflation	3.00-3.5%, including inflation
Investment rate of returns *	7.65%

*Net of pension plan investment expense, including inflation

Mortality rates for JRF were based on the RP-2000 White Collar Mortality Table (with the sex distinct RP-2000 Combined Mortality Table for ages over 70) projected to 2020 using scale BB and 115% for males and 112% for females older than 78. The rates for disabled mortality were based on the RP-2000 Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% for females.

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

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	25.00 %	5.00 %
U.S. Large Stocks	34.00	9.00
U.S. Mid Stocks	8.00	12.00
U.S. Small Stocks	3.00	15.00
International Developed Market Stocks	15.00	11.00
International Emerging Market Stocks	3.00	16.00
Real Estate	10.00	7.50
Cash Equivalents	2.00	1.50
Total	**100 %**	

Discount rate

The discount rate used to measure the total pension liability was 7.65 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the net pension liability calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.65 percent) or 1 percentage point higher (8.65 percent) than the current rate:

JRF

Sensitivity to Changes in Discount Rate

Net Pension Liability

(Amounts in Thousands)

1% Decrease (6.65%)	Current Rate (7.65%)	1% Increase (8.65%)
$ 192,969	$ 150,909	$ 114,437

c. State Employer Segment of ERS

Employer Contributions Required and Made

As required by statute, the employer contribution rate is actuarially determined based on the amount needed in addition to employee contributions to fund the costs of member benefits earned during the year and to fund unfunded accrued liabilities. For fiscal year 2020, the required employer contribution rate for regular state employees was 15.24% for Tier 1 employees and 14.87% Tier 2 employees. For fiscal year 2020, the required employer contribution rate for State Policemen was52.29% for Tier 1employees and 45.56% for Tier 2 employees. Total employer contributions for fiscal year 2020 were $240,803,000 for the primary government ($234,473,000 for governmental activities, $6,330,000 for business-type activities), and $1,324,000 for component units.

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

The State's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2018 rolled forward to September 30, 2019 using standard roll-forward techniques. The following tables detail the changes in the total pension liability, fiduciary net position and net pension liability:

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

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2018	$ 8,057,155	$ 5,280,931	$ 2,776,224
Changes for the year:			
Service costs	114,700	—	114,700
Interest	596,445	—	596,445
Change in Assumptions	—	—	—
Difference in expected and actual experience	478	—	478
Contributions - employer	—	220,385	(220,385)
Contributions - employee	—	104,162	(104,162)
Net investment income	—	131,617	(131,617)
Change in proportion and differences between employer contributions and proportionate share of contributions	1,176	—	1,176
Benefit payments, including refunds of employee contributions	(591,104)	(591,104)	—
Administrative expense	—	(15,178)	15,178
Transfers among employees	1,906	1,906	—
Net changes	123,601	(148,212)	271,813
Balance at September 30, 2019	**$ 8,180,756**	**$ 5,132,719**	**$ 3,048,037**

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

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2018	$ 203,700	$ 129,168	$ 74,532
Changes for the year:			
Service costs	3,147	—	3,147
Interest	16,352	—	16,352
Change in Assumptions	—	—	—
Difference in expected and actual experience	9	—	9
Contributions - employer	—	5,926	(5,926)
Contributions - employee	—	2,964	(2,964)
Net investment income	—	3,648	(3,648)
Change in proportion and differences between employer contributions and proportionate share of contributions	(190)	—	(190)
Benefit payments, including refunds of employee contributions	(16,228)	(16,228)	—
Administrative expense	—	(451)	451
Transfers among employees	42	42	—
Net changes	3,132	(4,099)	7,231
Balance at September 30, 2019	**$ 206,832**	**$ 125,069**	**$ 81,763**

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

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2018	$ 8,260,855	$ 5,410,099	$ 2,850,756
Changes for the year:			
Service costs	117,847	—	117,847
Interest	612,797	—	612,797
Change in Assumptions	—	—	—
Difference in expected and actual experience	487	—	487
Contributions - employer	—	226,311	(226,311)
Contributions - employee	—	107,126	(107,126)
Net investment income	—	135,265	(135,265)
Change in proportion and differences between employer contributions and proportionate share of contributions	986	—	986
Benefit payments, including refunds of employee contributions	(607,332)	(607,332)	—
Administrative expense	—	(15,629)	15,629
Transfers among employees	1,948	1,948	—
Net changes	126,733	(152,311)	279,044
Balance at September 30, 2019	**$ 8,387,588**	**$ 5,257,788**	**$ 3,129,800**

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

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2018	$ 52,579	$ 35,184	$ 17,395
Changes for the year:			
Service costs	735	—	735
Interest	3,817	—	3,817
Change in Assumptions	—	—	—
Difference in expected and actual experience	—	—	—
Contributions - employer	—	1,383	(1,383)
Contributions - employee	—	691	(691)
Net investment income	—	851	(851)
Change in proportion and differences between employer contributions and proportionate share of contributions	(1,366)	—	(1,366)
Benefit payments, including refunds of employee contributions	(3,788)	(3,788)	—
Administrative expense	—	(105)	105
Transfers among employees	10	10	—
Net changes	(592)	(958)	366
Balance at September 30, 2019	**$ 51,987**	**$ 34,226**	**$ 17,761**

For the year ended September 30, 2020, the primary government recognized pension expense of $302,658,000 (governmental-type activities - $294,905,000 and business-type activities - $7,753,000) and component units recognized a pension expense of $1,809,000.

As of September 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 51,601	$ 1,426	$ 53,027	$ 310
Differences between expected and actual experience	517	6	523	1
Change in Assumptions	16,396	433	16,829	94
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,247	24	1,271	156
Employer contributions subsequent to the measurement date	234,473	6,330	240,803	1,324
Total Deferred Outflows of Resources	**$ 304,234**	**$ 8,219**	**$ 312,453**	**$ 1,885**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ —	$ —	$ —	$ —
Differences between expected and actual experience	16,379	466	16,845	101
Changes in proportion and differences between Employer contributions and proportionate share of contributions	570	513	1,083	654
Total Deferred Inflows of Resources	**$ 16,949**	**$ 979**	**$ 17,928**	**$ 755**

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

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

Fiscal Year Ended	Governmental Activities	Business-type Activities	Totals Primary Govt	Component Units
2021	$ (32,175)	$ (596)	$ (32,771)	$ 127
2022	(6,611)	(119)	(6,730)	26
2023	38,262	679	38,941	(145)
2024	53,336	947	54,283	(202)

Actuarial assumptions

The discount rate is 7.70%, including price inflation of 2.75%..

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

Salary increases, including inflation	3.25-5.00% for State Employees, and 4.50% for State Police, including 3% wage inflation per annum.
Investment rate of return *	7.70% per annum, compounded annually, including price inflation at 2.75%.

Mortality rates for ERS were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females at ages on and after age 78. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

The actuarial assumptions used in the September 30, 2018 valuation were based on the results of an actuarial experience study prepared as of September 30, 2015, submitted to and adopted by the Board on September 29, 2016. The discount rate of 7.70% was subsequently adopted by the Board on December 19, 2018.

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

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	17.00 %	4.40 %
U.S. Large Stocks	32.00	8.00
U.S. Mid Stocks	9.00	10.00
U.S. Small Stocks	4.00	11.00
International Developed Market Stocks	12.00	9.50
International Emerging Market Stocks	3.00	11.00
Alternatives	10.00	10.10
Real Estate	10.00	7.50
Cash Equivalents	3.00	1.50
Total	**100 %**	

Discount rate

The discount rate used to measure the total pension liability was the long term rate of return, 7.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Projected future benefit payments for all current members were projected for all years.

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

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the State's proportionate share of the net pension liability calculated using the discount rate of 7.70%, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.70%) or 1 percentage point higher (8.70%) than the current rate:

ERS

Sensitivity to Changes in Discount Rate

(Amount in Thousands)

	1% Decrease (6.70%)	Current Rate (7.70%)	1% Increase (8.70%)
Governmental Activities	$ 3,870,350	$ 3,048,037	$ 2,347,997
Business-type Activities	104,290	81,763	62,594
Totals - Primary Government	**$ 3,974,640**	**$ 3,129,800**	**$ 2,410,591**
Component Units	**$ 22,654**	**$ 17,761**	**$ 13,597**

C. Other Pension Plans

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

NOTE 11 - POSTEMPLOYMENT HEALTH BENEFITS

A. Aggregate Disclosures

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

Aggregate Amounts

(Amounts in Thousands)

	Total Other Postemployment Benefits Liabilities	Total Assets	(NOL)/ NOA	Deferred Outflows	Deferred Inflows	Other Postemployment Benefits Expense
Governmental-type Activities	$ 1,804,170	$ 182,556	$ (1,621,614)	$ 254,956	$ 1,562,832	$ (197,102)
Business-type Activities	85,413	8,065	(77,348)	20,156	73,946	(9,296)
Totals Primary Government	**$ 1,889,583**	**$ 190,621**	**$ (1,698,962)**	**$ 275,112**	**$ 1,636,778**	**$ (206,398)**
Component Units	**$ 1,426,698**	**$ 385,445**	**$ (1,041,253)**	**$ 358,837**	**$ 1,504,824**	**$ (90,670)**

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

Plan Description

The Alabama Retired State Employees' Health Care Trust is a single-employer defined benefit health care plan established as an irrevocable trust in 2007 by Constitutional Amendment 798. The Trust provides basic coverage for up to 365 days of care during each hospital confinement, outpatient care, physicians' benefits, radiation therapy, and major medical benefits with no lifetime maximum. A group dental contract provides dental maintenance coverage with a maximum benefit amount of $1,500 during each year for each eligible participant who elects coverage. Plan members include State Employees, State Police, and Judges.

Number of Employees:

At September 30, 2019, the following employees were covered by the benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	22,965
Inactive Members Entitled to but Not Yet Receiving Benefit Payments	991
Active Members	32,133
Total	56,089

Contribution Requirements

The State provides health care benefits for retired state employees through SEHIP. The contribution requirements of the plan members and State agencies are established and may be amended by the Board of Directors of the State Employees' Insurance Board. For retirees who retired prior to October 1, 2005, the State pays 100 percent of the premium for a retiree who is over 65 and eligible for Medicare. The State pays a portion of the premium for a retiree who is under 65. Under the SEHIP statute, the State contribution per month per retiree is funded on a pay-as-you-go basis through the active employee premiums each agency pays for its active employees. COBRA insurance is also available to state employees who terminate state service, but the employee is liable for the premiums. For retirees who retire other than for disability after October 1, 2005, the employer contribution is less for each year under twenty-five years of creditable coverage and more for each year over 25. For retirees on or after January 1, 2012, the employer contribution is also less for each year under the Medicare age. The retiree is responsible for the amount of contribution not covered by the State. The State may make additional contributions; however no additional funds were contributed during the fiscal year. Retiree contributions vary based on the type of contract, dependent coverage, Medicare eligibility, and election, wellness participation, spousal surcharge, and tobacco usage. Employer contributions for the current year were as follows:

State Employees Insurance Plan

Employer Contributions

(Amounts in Thousands)

		Amounts
Governmental-type Activities	$	51,149
Business-type Activities		2,227
Total Primary Government	$	53,376
Component Units	$	452

Stand Alone Report

The State Employees' Insurance Board issued a stand-alone financial report that includes the Alabama Retired State Employees' Health Care Trust financial statements and detailed disclosures for the year ended September 30, 2020. A copy of the financial report and a copies of the GASB 74 and GASB 75 reports may be obtained at the following website:

https://www.alseib.org/

Information About the Net OPEB Liability

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

Date of Actuarial Valuation Used to Determine TOL	September 30, 2018
Service Cost	Determined using Entry Age Normal Actuarial Method
Inflation	2.75 percent
Salary increases	3.25-5.00 percent for State and Local Employees, 4.5 percent for Police, and 3.25-3.50 percent for Judges, including 3.00 percent for wage inflation.
Long-term investment rate of return	7.50 percent compounded annually, net of investment expense and including inflation.
Municipal Bond Index Rate at Measurement Date	3.00 percent
Municipal Bond Index Rate at Prior Measurement Date	4.18 percent
Year FNP is projected to be depleted	2035
Single Equivalent Interest Rate at Measurement Date	3.63 percent
Single Equivalent Interest Rate at Prior Measurement Date	4.25 percent
Healthcare Cost Trend Rates:	
Pre-Medicare Eligible	6.75 percent
Medicare Eligible	**
Ultimate Trend Rates:	
Pre-Medicare Eligible	4.75 Percent
Medicare Eligible	4.75 percent
Year of Ultimate Trend Rate	2026 for Pre-Medicare
	2024 for Medicare eligible
Dental Trend Rate	4.50 percent

** Initial Medicare claims are set based on scheduled increases through plan year 2022.

Pattern of Practice of Sharing Benefit-related Costs
Projections of the sharing of benefit-related costs are based on an established pattern of practice.

Mortality
State and Local Employees: The rates of mortality for the period after service retirement are according to the sex distinct RP-2000 Blue Collar Mortality Table projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females on and after age 78. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with the scale BB to 2020 with an adjustment of 130% at all ages for females.

Judicial Employees: The rates of mortality for the period after service retirement are according to the RP-2000 White Collar Mortality Table using Scale BB to 2020 with an adjustment of 115% at all ages for males and 112% for females on and after age 78. The rates of disabled mortality were based on the RP-2000 Disabled Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% at all ages for females.

Experience Study

The decremental assumptions and methods used in the valuation were selected based on the actuarial experience study as of September 30, 2015, submitted and adopted by the Board on September 29, 2016.

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, 2018 valuation were based on a review of recent plan experience done concurrently with the September 30, 2018 valuation.

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

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

	1% Decrease (5.75% decreasing to 3.75% for pre-Medicare, Known decreasing to 3.75 % for Medicare Eligible)	Current Rate (6.75% decreasing to 4.75% for pre-Medicare, Known decreasing to 4.75 % for Medicare Eligible)	1% Increase (8.00% decreasing to 7.75% for pre-Medicare, 5.75% Known decreasing to 5.75 % for Medicare Eligible)
Governmental Activities	$ 1,343,717	$ 1,612,269	$ 1,953,654
Business-type Activities	63,432	76,109	92,224
Totals - Primary Government	**$ 1,407,149**	**$ 1,688,378**	**$ 2,045,878**
Component Units	**$ 20,457**	**$ 24,546**	**$ 29,743**

Projected Cash Flow Assumptions

The projection of cash flows used to determine the discount rate assumed that plan contributions will equal the lesser of the prior year's contribution indexed with inflation or actual benefit payments plus expenses.

Long-term Rate of Return

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

Municipal Bond Rate

The discount bond rate uses a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. The rate used for this purpose is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index, the Fidelity General Obligation AA 20-year Municipal Bond Index, and the S&P High Grade 20-year Municipal Bond Index. The rates as September 30, 2019. were 2.66%, 2.75%, and 3.58% for the Bond Buyer, Fidelity, and S&P Municipal Bond Indices, respectively. These three resulted in an averaged Municipal Bond Index Rate of 3.00%.

Discount Rate

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

Periods of Projected Benefit Payments

Projected future benefit payments for all current plan members were projected through 2117. The long-term rate will be used until the assets are expected to be depleted in 2035, after which the municipal bond rate will be used.

Assumed Asset Allocation of the Plan's Portfolio

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed Income	28.2 %	4.4 %
US Domestic Stocks	55.2	8.7
International Developed Market Stocks	10.8	9.8
Cash	5.8	1.5
Total	100.0 %	

**Geometric mean, includes 2.5% inflation.*

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

Alabama Retired State Employees' Health Care Trust
Sensitivity to Changes in Discount Rate
(Amount in Thousands)

	1% Decrease (2.63%)	Current Rate (3.63%)	1% Increase (4.63%)
Governmental Activities	$ 1,890,948	$ 1,612,269	$ 1,385,534
Business-type Activities	89,264	76,109	65,406
Totals - Primary Government	**$ 1,980,212**	**$ 1,688,378**	**$ 1,450,940**
Component Units	**$ 28,789**	**$ 24,546**	**$ 21,094**

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

Changes in Actuarial Assumptions Since Prior Measurement Date
Since the prior measurement date, changes in the actuarial assumptions resulted in a increase in the Net OPEB Obligation (NOL) of $152,884,000 for the primary government ($146,858,000 for governmental-type activities and $6,826,000 for business-type activities) and $2,162,000 for component units. The primary reason for the increases was a change in the single equivalent interest rate from 4.25% to 3.63%.

Recent Plan Changes

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through the United Healthcare Medicare Advantage Plan with Prescription Drug Coverage (MAPD).

Beginning in plan year 2021, the MAPD plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019. The repeal of the ACA Health Insurer Fee resulted in a decrease in the NOL of approximately $1.396 billion for the primary government ($1.334 billion for governmental-type activities and $.062 billion for business-type activities) and $19,751,000 for component units.

Changes in the Net OPEB Liability

The Plan's net OPEB liability was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2018 rolled forward to September 30, 2019 using standard roll-forward techniques. The following tables detail the changes in the total OPEB liability, fiduciary net position and net OPEB liability:

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

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a)-(b)
Balances at September 30, 2018	$ 2,884,010	$ 172,667	$ 2,711,343
Changes for the year:			
Service costs	45,735	—	45,735
Interest	121,055	—	121,055
Change in Assumptions	146,058	—	146,058
Difference in expected and actual experience	(1,334,173)	—	(1,334,173)
Contributions - employer	—	69,781	(69,781)
Contributions - employee	—	—	—
Net investment income	—	6,230	(6,230)
Change in proportion and differences between employer contributions and proportionate share of contributions	(1,822)	—	(1,822)
Benefit payments, including refunds of employee contributions *	(69,697)	(69,697)	—
Administrative expense	—	(84)	84
Transfers among employees	—	—	—
Net changes	(1,092,844)	6,230	(1,099,074)
Balance at September 30, 2019	**$ 1,791,166**	**$ 178,897**	**$ 1,612,269**

*Benefit payments are net of member contributions

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

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a)-(b)
Balances at September 30, 2018	$ 134,003	$ 7,288	$ 126,715
Changes for the year:			
Service costs	2,137	—	2,137
Interest	5,658	—	5,658
Change in Assumptions	6,826	—	6,826
Difference in expected and actual experience	(62,353)	—	(62,353)
Contributions - employer	—	3,261	(3,261)
Net investment income	—	291	(291)
Change in proportion and differences between employer contributions and proportionate share of contributions	674	—	674
Benefit payments, including refunds of employee contributions*	(3,257)	(3,257)	—
Administrative expense	—	(4)	4
Net changes	(50,315)	291	(50,606)
Balance at September 30, 2019	**$ 83,688**	**$ 7,579**	**$ 76,109**

*Benefit payments are net of member contributions

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

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a)-(b)
Balances at September 30, 2018	$ 3,018,013	$ 179,955	$ 2,838,058
Changes for the year:			
Service costs	47,872	—	47,872
Interest	126,713	—	126,713
Change in Assumptions	152,884	—	152,884
Difference in expected and actual experience	(1,396,526)	—	(1,396,526)
Contributions - employer	—	73,042	(73,042)
Net investment income	—	6,521	(6,521)
Change in proportion and differences between employer contributions and proportionate share of contributions	(1,148)	—	(1,148)
Benefit payments, including refunds of employee contributions *	(72,954)	(72,954)	—
Administrative expense	—	(88)	88
Net changes	(1,143,159)	6,521	(1,149,680)
Balance at September 30, 2019	**$ 1,874,854**	**$ 186,476**	**$ 1,688,378**

*Benefit payments are net of member contributions

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

	Total OPEB Liability (TOL) (a)	Fiduciary Net Position (FNP) (b)	Net OPEB Liability (NOL) (a)-(b)
Balances at September 30, 2018	$ 42,714	$ 2,576	$ 40,138
Changes for the year:			
Service costs	677	—	677
Interest	1,792	—	1,792
Change in Assumptions	2,162	—	2,162
Difference in expected and actual experience	(19,751)	—	(19,751)
Contributions - employer	—	1,033	(1,033)
Net investment income	—	92	(92)
Change in proportion and differences between employer contributions and proportionate share of contributions	652	—	652
Benefit payments, including refunds of employee contributions *	(1,032)	(1,032)	—
Administrative expense	—	(1)	1
Net changes	(15,500)	92	(15,592)
Balance at September 30, 2019	**$ 27,214**	**$ 2,668**	**$ 24,546**

*Benefit payments are net of member contributions

OPEB Expense
For the year ended September 30, 2020, the primary government recognized OPEB expense of $(205,722,000) (governmental-type activities - $(196,537,000) and business-type activities - $(9,185,000) and component units recognized an OPEB expense of $(2,909,000).

Deferred Outflows and Inflows of Resources
As of September 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Deferred Outflows of Resources				
Net difference between projected and actual earnings on OPEB plan investments	$ 1,022	$ 48	$ 1,070	$ 16
Differences between expected and actual experience	—	—	—	—
Change in Assumptions	118,776	5,607	124,383	1,808
Changes in proportion and differences between Employer contributions and proportionate share of contributions	80,527	11,928	92,455	12,280
Employer contributions subsequent to the measurement date	51,149	2,227	53,376	452
Total Deferred Outflows of Resources	**$ 251,474**	**$ 19,810**	**$ 271,284**	**$ 14,556**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on OPEB plan investments	$ —	$ —	$ —	$ —
Differences between expected and actual experience	1,116,410	52,702	1,169,112	16,997
Change in Assumptions	341,081	16,101	357,182	5,193
Changes in proportion and differences between Employer contributions and proportionate share of contributions	93,791	3,626	97,417	8,903
Total Deferred Inflows of Resources	**$1,551,282**	**$ 72,429**	**$ 1,623,711**	**$ 31,093**

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

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

Fiscal Year Ended	Governmental Activities	Business-type Activities	Totals Primary Govt	Component Units
2021	$ (353,597)	$ (14,355)	$ (367,952)	$ (4,447)
2022	(353,597)	(14,355)	(367,952)	(4,447)
2023	(311,097)	(12,630)	(323,727)	(3,912)
2024	(248,009)	(10,069)	(258,078)	(3,119)
2025	(84,656)	(3,437)	(88,093)	(1,065)

C. Alabama Retired Education Employees' Health Care Trust

Plan Description

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

Contribution Requirements

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

OPEB Plan Stand Alone Financial and GASB Reports

The Public Education Employees' Health Insurance Board issues a stand-alone financial report for the Alabama Retired Education Employees' Health Care Trust that includes financial statements and detailed disclosures for the year ended September 30, 2020. The financial report and the GASB 74 and 75 reports may be obtained at the following website:

www.rsa-al.gov

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

Assumptions and Other Inputs

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

Date of Actuarial Valuation Used to Determine TOL	September 30, 2018
Service Cost	Determined using Entry Age Normal Actuarial Method
Inflation	2.75 percent
Salary increases	3.25-5.00 percent, including 3.00 percent for wage inflation.
Long-term investment rate of return	7.25 percent compounded annually, net of investment expense and including inflation.
Municipal Bond Index Rate at Measurement Date	3.00 percent
Municipal Bond Index Rate at Prior Measurement Date	4.18 percent
Year FNP is projected to be depleted	2055
Single Equivalent Interest Rate at Measurement Date	5.50 percent
Single Equivalent Interest Rate at Prior Measurement Date	4.44 percent
Healthcare Cost Trend Rates:	
Pre-Medicare Eligible	6.75 percent
Medicare Eligible	**
Ultimate Trend Rates:	
Pre-Medicare Eligible	4.75 percent in 2026
Medicare Eligible	4.75 percent in 2024

** Initial Medicare claims are set based on scheduled increases through plan year 2022.

Pattern of Practice of Sharing Benefit-related Costs

Projections of the sharing of benefit-related costs are based on an established pattern of practice.

Mortality

The rates of mortality for the period after service retirement are according to the RP-2000 White Collar Mortality Table using Scale BB to 2020 with an adjustment of 115% at all ages for males and 112% for females on and after age 78. The rates of mortality for the period after disability retirement are according to the RP-2000 Disabled Retiree Mortality Table projected with the scale BB to 2020 with an adjustment of 105% for males and 120% for females.

Experience Study

The decremental assumptions and methods used in the valuation were selected based on the actuarial experience study as of September 30, 2015 which was submitted to and adopted by the Teachers' Retirement Board on September 13, 2016.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the September 30, 2018 valuation, however updated Medicare Advantage premium rates which reflect the appeal of the ACA Health Insurer Fee, updated Optionals claims costs, and updated participation assumptions were used in this report.

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

Alabama Retired Education Employees' Health Care Trust
Net OPEB Liability
Sensitivity to Changes in the Health Care Trend Rates
(Amount in Thousands)

	1% Decrease (5.75% decreasing to 3.75% for pre-Medicare, Known decreasing to 3.75% for Medicare Eligible)	Current Rate (6.75% decreasing to 4.75% for pre-Medicare, Known decreasing tp 4.75% for Medicare Eligible)	1% Increase (7.75% decreasing to 5.75% for pre-Medicare, Known decreasing to 5.75% for Medicare Eligible)
Governmental Activities	$ 7,493	$ 9,345	$ 11,678
Business-type Activities	994	1,240	1,549
Totals - Primary Government	**$ 8,487**	**$ 10,585**	**$ 13,227**
Component Units	**$ 776,554**	**$ 968,489**	**$ 1,210,223**

Projected Cash Flow Assumption
The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rates. Each year, the State specifies the monthly employer rate that participating employers must contribute for each active employee. 20.307% of the employer contributions are used to assist in funding retiree benefit payments in fiscal year 2018. 24.245% of employer contributions were used to assist in funding retiree benefits in 2019. It is assumed that once benefit payments exceed employer contributions, this amount will increase by 1.00% per year and continue into the future.

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

Municipal Bond Rate
The discount bond rate uses a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. The rate used for this purpose is ta 20-year Municipal Bond (rating AA/Aa or higher) rate (Municipal Bond Index Rate). The Municipal Bond Index Rate used, if necessary, for this purpose is the average of the Bond Buyer General Obligation 20-year Municipal Bond Index, the Fidelity General Obligation AA 20-year Municipal Bond Index, and the S&P High Grade 20-yearMunicipal Bond Index. The rates as of September 30, 2019, were 2.66%, 2.75%, and 3.58% for the Bond Buyer, Fidelity, and S&P Municipal Bond Indices, respectively. These three rates resulted an averaged Municipal Bond Index Rate of 3.00%. For the purpose of this report, we have determined that a discount rate of 5.50% as of September 30, 2019, meets the requirements of GASB 75, as it is our understanding that a portion of the health care premium rate paid on behalf of active employees will be used to fund the OPEB plan.

Discount Rate
The Single Equivalent Interest Rate (SEIR) is used to measure the TOL at September 30, 2019.

Periods of Projected Benefit Payments
Projected future benefit payments for all current plan members were projected through 2117. The long-term rate will be used until the assets are expected to be depleted in 2055, after which the municipal bond rate will be used.

Assumed Asset Allocation of the Plan's Portfolio

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed Income	30.0 %	4.4 %
US Large Stocks	38.0	8.0
US Mid Stocks	8.0	10.0
US Small Stocks	4.0	11.0
International Developed Market Stocks	15.0	9.5
Cash	5.0	1.5
Total	100.0 %	

**Geometric mean, includes 2.5% inflation.*

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

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

	1% Decrease (4.50%)	Current Rate (5.50%)	1% Increase (6.50%)
Governmental Activities	$ 11,296	$ 9,345	$ 7,752
Business-type Activities	1,498	1,240	1,029
Totals - Primary Government	**$ 12,794**	**$ 10,585**	**$ 8,781**
Component Units	**$ 1,170,644**	**$ 968,489**	**$ 803,396**

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

Net OPEB Liability
The Plan's net OPEB liability was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2018 rolled forward to September 30, 2019 using standard roll-forward techniques.

Proportionate Share of OPEB Liability

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

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

	Employer's Proportionate Share	Current Year Proportionate Share	Prior Year Proportionate Share	Change in Proportionate Share
Governmental-type Activities	$ 9,345	0.25 %	0.23 %	0.02 %
Business-type Activities	1,240	0.03	0.03	—
Totals - Primary Government	**$ 10,585**	**0.28 %**	**0.26 %**	**0.02 %**
Component Units	**$ 968,489**	**25.70 %**	**30.00 %**	**(4.30) %**

The net OPEB liability was measured as of September 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2018. Each participating unit included in the State's financial report has its own proportion of the net OPEB liability based on a projection of the unit's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

Changes in Actuarial Assumptions Since the Previous Measurement Date

In 2019, the anticipated rates of participation, spouse coverage, and tobacco use were adjusted to more closely reflect actual experience. The changes in actuarial assumptions resulted in a decrease in the NOL of $3,638,000 for the primary government ($3,212,000 for the governmental-type activities and $426,000 for the business-type activities) and a decrease in NOL of $332,835,000 for component units.

Recent Plan Changes

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through the United Healthcare Medicare Advantage Plan with Prescription Drug Coverage (MAPD).

The Plan was changed in 2017 to reflect the Affordable Care Act (ACA) maximum out-of-pocket amounts.

Beginning in plan year 2021, the MAPD plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019. The change resulted in a decrease in a decrease in NOL of approximately $9,686,000 for the primary government (8,552,000 for the governmental-type activities and $1,134,000 for the business-type activities) and a decrease in NOL of $886,211,000 for component units.

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

OPEB Expense

For the year ended September 30, 2020, the primary government recognized OPEB expense of $(643,000) (governmental-type activities - $(565,000) and business-type activities - $(78,000)) and component units recognized OPEB expense of $(88,662,000).

Deferred Outflows and Inflows

As of September 30, 2020 the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Alabama Retired Education Employee's Health Care Trust
Deferred Outflows and Inflows of Resources
(Amounts in Thousands)

	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Deferred Outflows of Resources				
Net difference between projected and actual earnings on OPEB plan investments	$ 19	$ 3	$ 22	$ 1,998
Differences between expected and actual experience	309	41	350	32,067
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,755	147	1,902	194,415
Change in Assumptions	447	59	506	46,300
Employer contributions subsequent to the measurement date	952	96	1,048	67,770
Total Deferred Outflows of Resources	**$ 3,482**	**$ 346**	**$ 3,828**	**$ 342,550**
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 7,166	$ 951	$ 8,117	$ 742,596
Changes in proportion and differences between employer contributions and proportionate share of contributions	513	53	566	317,072
Change in Assumptions	3,871	513	4,384	401,153
Total Deferred Inflows of Resources	**$ 11,550**	**$ 1,517**	**$ 13,067**	**$ 1,460,821**

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

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

Fiscal Year Ended	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
2020	$ (1,847)	$ (260)	$ (2,107)	$ (242,843)
2021	(1,847)	(260)	(2,107)	(242,843)
2022	(1,825)	(256)	(2,081)	(240,012)
2023	(1,570)	(221)	(1,791)	(206,475)
2024	(1,646)	(231)	(1,877)	(216,406)
Thereafter	(285)	(40)	(325)	(37,463)

NOTE 12 - RELATED ORGANIZATIONS

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

NOTE 13 - CONTINGENCIES

A. Grants

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

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

B. Litigation

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

Blaylock, et al. v. American Tobacco Co., et al., filed in the Circuit Court of Montgomery County is an arbitration proceeding concerning the Master Settlement Agreement (MSA) that was negotiated with the tobacco industry in 1998. The MSA was entered into as a settlement of litigation brought against the participating tobacco products manufacturers (manufacturers) by the Attorney Generals of the signatory states to reimburse the states for health care expenses in treating their citizens affected by the use of tobacco products sold by the manufacturers. The MSA contains a provision that allows an adjustment to reduce the payments by the tobacco industry if the MSA has been determined to be a significant factor in the loss of market share by the manufacturers. States will not be subject to a reduction in their payments if it is determined that they diligently enforced their escrow statutes. The manufacturers requested arbitration regarding the application of the 2003 non- participating manufacturers adjustment under the MSA. Alabama and more than 30 other states have settled these claims as well as the claims regarding the non-participating manufacturers adjustment through 2022. The non-settling states and the manufacturers subsequently initiated additional arbitration concerning the 2004 non-participating manufacturers adjustment under the MSA. While Alabama has no judgment exposure in the 2004 arbitration, it is likely to have to defend its diligence if any of the states are found to be non-diligent. Our diligence will be a factor in how much of the non-diligent states annual distributions will be offset. Nationwide there is over $6 billion annually at stake, with Alabama's annual distribution now just over $100 million. Additional arbitration issues continue to be expected.

The State of Alabama Department of Revenue is also involved in significant tax-related lawsuits or actions that challenge the legality of certain taxes or challenge other provisions of tax laws and procedures. Other cases challenge tax assessments made by the Department. These cases have a significant combined potential refund liability or reductions of assessments. Adverse rulings in these cases could also reduce future revenues. Greenetrack, Inc. v. State of Alabama Department of Revenue involving an assessment of more than $72.5 million is pending in the Circuit Court of Greene County.

NOTE 14 - COVID-19

COVID-19 continues to have a significant negative impact on the global economy. Subsequent to the fiscal year end, the long-term economic outlook is improving as large portions of the population are vaccinated and businesses reopen.

NOTE 15 - SUBSEQUENT EVENTS

The Alabama Housing Finance Authority, a discretely presented component unit, called approximately $8,440,000 of multi-family bond conduit debt. Additionally, the Authority awarded Federal Funds totaling $6,844,000 under the HOME and HTF Programs.

Subsequent to the fiscal year end, the State issued the following Alabama Public School Authority (APSCA) bonds:

-Tax-Exempt Capital Improvement and Refunding Bonds, Series 2020-A for the purpose paying the costs of capital improvements for public education and refunding on a current basis the Series 2007 APSCA bonds.

-Taxable Capital Improvement Refunding Bonds, Series 2020-B for the purpose of refunding Series 2012-B and Series 2013-C bonds.

-Taxable Capital Improvement Pool Refunding Bonds, Series 2020-C for the purpose of refunding Series 2013 A, B, and D bonds and 2015-C bonds.

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

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - All Budgeted Funds
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	GENERAL FUND			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	$ 1,447,331	$ 1,485,204	$ 1,770,299	$ 285,095
Licenses, Permits and Fees	134,791	138,318	164,869	26,551
Fines, Forfeits, and Court Settlements	9,816	10,073	12,007	1,934
Investment Income	39,805	40,847	48,688	7,841
Federal Grants and Reimbursements	50	51	61	10
Other Revenues	482	494	588	94
Total Revenues	**1,632,275**	**1,674,987**	**1,996,512**	**321,525**
EXPENDITURES				
Administrative Office of Courts	149,375	149,375	149,375	—
Agriculture and Industries	12,810	12,810	12,644	166
Alabama Community College System	—	—	—	—
Attorney General	12,400	12,851	12,762	89
Auditor	968	968	811	157
Commission on Higher Education	—	—	—	—
Corrections	535,264	528,865	487,144	41,721
Economic and Community Affairs	25,391	27,812	15,151	12,661
Education	—	—	—	—
Emergency Management	9,610	9,610	9,599	11
Examiners of Public Accounts	8,511	8,510	8,510	—
Finance	5,657	5,657	3,371	2,286
Governor	4,329	6,492	5,020	1,472
Human Resources	—	—	—	—
Labor	1,273	1,349	818	531
Law Enforcement	—	—	—	—
Legislature	24,943	26,023	22,066	3,957
Medicaid	747,070	769,069	718,864	50,205
Mental Health	—	—	—	—
Public Health	36,235	36,401	32,078	4,323
Public Service Commission	—	—	—	—
Rehabilitation Services	—	—	—	—
Revenue	113	113	40	73
Secretary of State	1,929	1,929	1,115	814
Transportation	—	—	—	—
Treasurer	—	—	—	—
Youth Services	—	—	—	—
Universities and Training Institutes	—	—	—	—
Other	305,837	308,417	255,070	53,347
Total Expenditures	**1,881,715**	**1,906,251**	**1,734,438**	**171,813**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(249,440)**	**(231,264)**	**262,074**	**493,338**
OTHER FINANCING SOURCES (USES)				
Carryover of funds from prior year	403,887	403,887	403,887	—
Transfers In	275,570	282,781	337,063	54,282
Transfers Out	(430,017)	(455,420)	(455,420)	—
Insurance Recovery Proceeds	—	16	16	—
Total Other Financing Sources (Uses)	**249,440**	**231,264**	**285,546**	**54,282**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**$ 0**	**$ 0**	**547,620**	**$ 547,620**

EDUCATION TRUST FUND				EARMARKED FUNDS			
Budgeted Amounts		Actual (Budgetary	Variance with Final	Budgeted Amounts		Actual (Budgetary	Variance with Final
Original	Final	Basis)	Budget	Original	Final	Basis)	Budget
$ 6,802,177	$ 7,121,939	$ 7,420,741	$ 298,802	$ 1,411,399	$ 1,881,495	$ 1,710,812	$ (170,683)
99	104	108	4	504,159	672,079	611,110	(60,969)
—	—	—	—	17,661	23,543	21,407	(2,136)
—	—	—	—	4,481	5,973	5,431	(542)
2	2	2	—	10,022,414	13,360,587	12,148,558	(1,212,029)
187	196	205	9	826,357	1,101,594	1,001,662	(99,932)
6,802,465	**7,122,241**	**7,421,056**	**298,815**	**12,786,471**	**17,045,271**	**15,498,980**	**(1,546,291)**
—	750	750	—	47,009	48,515	38,192	10,323
—	—	—	—	43,358	69,813	28,890	40,923
416,933	417,470	417,470	—	—	25,293	24,292	1,001
—	—	—	—	12,091	16,161	9,156	7,005
—	—	—	—	—	—	—	—
35,894	36,134	35,125	1,009	5,161	5,477	4,393	1,084
—	—	—	—	80,879	103,279	80,357	22,922
1,000	1,000	882	118	270,492	434,851	219,736	215,115
4,647,497	4,660,773	4,641,793	18,980	1,606,689	2,298,803	1,398,810	899,993
—		—	—	51,108	95,613	66,266	29,347
8,496	8,496	8,496	—	3,275	3,294	1,832	1,462
450	450	417	33	110,431	123,706	72,749	50,957
—	—	—	—	127	681	25	656
—	—	—	—	1,912,086	2,430,160	2,300,225	129,935
—	—	—	—	128,560	165,883	98,547	67,336
—	—	—	—	231,440	252,383	205,500	46,883
3,205	3,205	1,942	1,263	—	522	522	—
—	—	—	—	6,632,424	7,084,766	6,444,208	640,558
—	—	—	—	1,157,677	1,280,975	1,003,031	277,944
19,210	19,210	17,394	1,816	808,683	923,072	704,612	218,460
—	—	—	—	22,678	25,812	18,549	7,263
48,227	48,227	48,221	6	155,604	157,559	119,057	38,502
—	—	—	—	183,933	228,005	215,289	12,716
—	—	—	—	9,847	22,597	10,615	11,982
—	—	—	—	1,464,325	2,886,036	1,781,315	1,104,721
—	—	—	—	4,616	5,304	4,103	1,201
—	—	—	—	106,727	107,744	79,011	28,733
1,280,755	1,289,203	1,289,203	—	—	42,375	42,375	—
409,833	413,691	378,586	35,105	1,779,898	3,196,638	2,006,945	1,189,693
6,871,500	**6,898,609**	**6,840,279**	**58,330**	**16,829,118**	**22,035,317**	**16,978,602**	**5,056,715**
(69,035)	**223,632**	**580,777**	**357,145**	**(4,042,647)**	**(4,990,046)**	**(1,479,622)**	**3,510,424**
614,519	614,519	614,519	—	1,212,632	1,212,632	1,212,632	—
290,736	304,403	317,174	12,771	2,830,015	3,772,610	3,430,371	(342,239)
(836,220)	(1,142,556)	(1,142,556)	—	—	—	—	—
—	2	2	—	—	4,804	4,804	—
69,035	**(223,632)**	**(210,861)**	**12,771**	**4,042,647**	**4,990,046**	**4,647,807**	**(342,239)**
$ 0	**$ 0**	**369,916**	**$ 369,916**	**$ 0**	**$ 0**	**3,168,185**	**$ 3,168,185**

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - Budget-to-GAAP Reconcilation
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	BUDGETARY FUNDS				
	General Fund	Education Trust Fund	Earmarked Funds	Alabama Trust Fund	Medicaid Fund
Revenues and Other Sources Over (Under) Expenditures and Other Uses - Budgetary Basis	**$ 547,620**	**$ 369,916**	**$ 3,168,185**		
Reconciliation to GAAP Basis:					
Perspective Differences:					
Reclassification of budgetary funds to GAAP financial statement fund types			(3,168,185)	$ 4,458	$ 221,631
Basis Differences:					
Accruals of revenues and other revenue adjustments	53,437	13,065		3,431	34,203
To remove prior year funds carried over in budget	(403,887)	(614,519)		(75)	(71,686)
Accruals of expenditures and capitalization of assets	(883)	(107)		(50)	(9,597)
To remove encumbrances recognized as expenditures	5,825	400		119	1,308
To recognize prior budget year expenditures/expenses	(8,676)	(2,065)		(75)	(55)
To remove budget expenditures/expenses not accrued as liabilities	543	255		(13)	—
Entity Differences:					
Add net operating results for funds not budgeted				97,144	—
Net Change in Fund Balances/Net Position - GAAP Basis	**$ 193,979**	**$ (233,055)**	**$ 0**	**$ 104,939**	**$ 175,804**

FINANCIAL STATEMENT CLASSIFICATION

Public Road and Bridge Fund	Public Welfare Trust Fund	Coronavirus Relief Fund	Nonmajor Governmental Funds	Enterprise Funds	Internal Service Funds	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Component Units
$ 46,718	$ 33,958	$ 1,049,941	$ 1,779,878	$ (62,085)	$ 65,759	$ 25,589	$ (278)	$ 2,616
(2,715)	13,203	(799,196)	200,784	387	345	110,467	402	510
(112,990)	(24,306)	—	(909,362)	(7,916)	(51,048)	(30,430)	(340)	(4,479)
(44,345)	11,021	(250,746)	(457,950)	76,346	3,635	(79,150)	(8)	7,355
17,314	4,774	1	46,408	3,552	1,624	132	—	151
(8,905)	(683)	—	(53,461)	(71)	(570)	(24)	—	(202)
(923)	(179)	—	9,989	1	28	—	—	(14)
1,124	1,034	—	44,126	(208,548)	2,645	1,244,483	189,054	1,099,688
$ (104,722)	**$ 38,822**	**$ 0**	**$ 660,412**	**$ (198,334)**	**$ 22,418**	**$ 1,271,067**	**$ 188,830**	**$ 1,105,625**

Budgetary Process

Formulation of the budget begins with the preparation of estimates of expenditure requirements for the next fiscal year by the administrative head of each budgeted agency and institution. These estimates are submitted annually to the Executive Budget Office of the Finance Department on or before the first day of the third month preceding each regular session of the Legislature. The budget is prepared by program elements for each agency. Requested changes in programmatic expenditures over the prior fiscal year must be explained, and proposed capital expenditures must be justified as required by the Executive Budget Office.

The budget document, as finally developed by the Governor, is published and transmitted to the Legislature on or before the second legislative day of each regular session. For each agency, comparative summaries of appropriations and revenues are presented for the prior year, current year, the agency's request for the next year, and the Governor's recommendation for the next year. The recommended appropriation bills indicate the programmatic appropriation to each agency and the source of funds from which each appropriation is to be paid. The Legislature then legally enacts the State budget into law through the passage of a number of bills as Appropriation Acts. Some conditional appropriations are included in the Appropriation Acts. The agencies do not include these conditional amounts in the original budget, unless the conditions have been met before the fiscal year begins.

During fiscal year 2020, approximately $26 million of supplemental appropriations were distributed from the General Fund. The Department of Finance, the General Fund Budget Reserve Fund and the District Attorneys received supplemental appropriations in the amounts of $11 million, $5 million, and $5 million, respectively. Approximately $31 million of conditional and other appropriations were distributed to various agencies from the General Fund. The Medicaid Agency and the Legislative Services Agency received conditional appropriations in the amounts of $22 million and $4 million, respectively. Some expenditures are required by law to be fully funded and estimated amounts are approved in the General Fund appropriation bill. Increases to these estimated amounts do not require a new bill and are included as other appropriations. Original appropriations to the Departmental Emergency Fund are included in the original budget. Emergency appropriations cannot exceed two percent of the total General Fund appropriation bill.

During fiscal year 2020, approximately $32 million of supplemental appropriations were distributed from the Education Trust Fund (ETF). The Department of Education, Alabama Institute for the Deaf and Blind, and Alabama Supercomputer Authority received supplemental appropriations in the amounts of $14 million, $7 million, and $3 million, respectively. Also, $302 million was transferred back to the Education Trust Fund Budget Stabilization Fund.

The Appropriation Acts budget by agency and program rather than by GAAP basis funds. The State funds its budgetary activities under three budgetary fund groups. The first is the General Fund, which includes many of the general operations of the three branches of government. The second is the Education Trust Fund, which is restricted to funding all levels of educational activity in the State. The third budgetary group is referred to in the budget documents as Earmarked Funds. The Earmarked Funds group includes the operations of most governmental funds of both the primary government and the component units, as well as portions of some proprietary and fiduciary operations.

The Appropriation Acts do not include a revenue budget. At the time of their passage, estimates prepared by legislative and executive branch professional staff assure the legislature that adequate revenues will be available to meet the level of appropriations approved. The Appropriation Acts specify that in addition to the appropriations made, all gifts, grants, or contributions in excess of the amount appropriated are automatically appropriated to be used for the purposes specified in the gift, grant, or contribution. This includes federal funds which are included in the Earmarked Funds. Most of the $5.2 billion increase in the Earmarked Funds is increased federal funds.

Numerous statutes exist which restrict the use of most state revenue sources to specific uses. The General Fund is funded by a wide variety of taxes, licenses, and interest income. The ETF is funded primarily by income taxes and sales taxes. The Earmarked Funds are generally funded by a combination of federal funds, local funds, and specific taxes and licenses. State law also requires that if revenues actually received are inadequate to fund the appropriations, then the appropriations must be prorated to the level that the revenues will support. For the Budgetary Comparison Schedule, the budgeted revenues consist of the amount of budgeted expenditures allocated among the revenue categories in proportion to the actual amounts received.

Budgetary Control

The legal level of control is the agency and program specified in the Appropriation Acts. For example, "Lab Analysis and Disease Control" and "Agricultural Inspection Services" are two programs within the agency of Agriculture and Industries. Below this legal level of control, the professional management of the Finance Department, under the authority of the Governor's policy, exercises budgetary control at the fund and object level. Each agency must submit an operations plan detailing planned expenditures down to the object level, and then must follow that plan or explain why a change must be made. Allotments of appropriations are made quarterly based on the plans of operations submitted by the agencies.

The Department of Finance enforces both the legal level and the professional management level of budgetary control through automated edits which must be complied with before making expenditures against an appropriation. A change between objects within appropriations for programs (financial management level) must have the approval of the Budget Officer and the Finance Director.

The Budget Management Act legally authorizes the transfer of appropriations between programs within an agency with the approval of the Governor. Any transfers approved by the Governor must be reported to the Legislature. Transfers between agencies, but within the same program, may be made pursuant to interagency agreements executed for the purposes of accomplishing the objectives for which the Legislature made the appropriation. These interagency agreements must also be approved by the Governor. Under the Budget Management Act, the Governor cannot create new budget authority; he or she can only transfer existing authority.

Both the *Constitution of Alabama of 1901* and the statutes require a balanced budget for annual financial operations. The Finance Department monitors revenue projections during the year to ensure that adequate funds will be available to meet budgeted expenditures. If cash collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent an overdraft or budget deficit in any fiscal year. Within the Alabama Trust Fund, a General Fund Rainy Day Account and an Education Trust Fund Rainy Day Account have been created by constitutional amendment. If proration is declared for the General Fund or the Education Trust Fund, then oil and gas capital payments in the Alabama Trust Fund will be used to fund withdrawals from the Rainy Day Accounts. If proration is declared for the General Fund, Rainy Day withdrawals may not exceed the lesser of a) ten percent of the previous fiscal year's General Fund appropriations less the total amount of any prior years' withdrawals from the account which have not been repaid to the account, or b) the average of the estimated available revenue for the General Fund certified by the Finance Director and the Legislative Fiscal Officer prior to the third legislative day of the Regular Session. If proration is declared for the Education Trust Fund, Rainy Day withdrawals may not exceed the lesser of a) six and one-half percent of the previous fiscal year's Education Trust Fund appropriations less the total amount of any prior years' withdrawals from the account which have not been repaid to the account, or b) the average of the estimated available revenue for the Education Trust Fund certified by the Finance Director and the Legislative Fiscal Officer prior to the third legislative day of the Regular Session. The Rainy Day Accounts must be replenished within 10 years for the General Fund withdrawals and 6 years for the Education Trust Fund withdrawals. Neither the General Fund nor the Education Trust Fund was prorated in 2020. The General Fund and the Education Trust Fund have paid back all of its withdrawals. The available balance during FY 20 for the Education Trust Fund Rainy Day Account was $454 million. The General Fund Rainy Day Account available balance during FY 20 was $212 million.

The Rolling Reserve Act (Act 2011-3, as amended by Act 2015-538) caps appropriations from the Education Trust Fund (ETF). The cap is the sum of recurring revenues deposited into the ETF in the last completed fiscal year preceding the calculation year adjusted up or down by: 1) the average annual percentage change in recurring revenues for the 14 highest of the 15 completed fiscal years preceding the date on which the calculation is made; 2) if legislation is enacted that will increase recurring revenues deposited into the ETF, an amount equal to 95 percent of the fiscal note attached to the legislative act is added to the cap; 3) if legislation is enacted that will decrease recurring revenues deposited into the ETF, the negative impact, based on the enacted fiscal note is subtracted from the cap; 4) any nonrecurring revenue; and 5) the amount required to be appropriated from the ETF to the Prepaid Affordable College Tuition Trust Fund. The Finance Director and the Legislative Fiscal Officer must certify their computation of the cap at the same time as the certification required by Amendment 803 to the *Constitution of Alabama of 1901* (prior to the third day of each Regular Session). Revenues in excess of the appropriation cap are required to be used to pay back transfers from the constitutional ETF Rainy Day Account until the account has been repaid in full. Any remaining funds shall be transferred to the ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund. The ETF Budget Stabilization

Fund will generally be used to reduce any future proration. At the end of fiscal year 2020 the balance in the ETF Budget Stabilization Fund was $302 million.

Encumbrance Accounting

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is used as purchase orders are issued to ensure that purchase orders plus expenditures do not exceed allotment balances. At fiscal year end this control becomes stricter, as purchase orders plus any other obligations or accounts payable incurred against fiscal year appropriations may not exceed allotment balances.

Encumbrances are reported in the year the orders are placed for budgetary purposes in the Budgetary Comparison Schedule. Encumbrances are reported in the year the goods and services are received for GAAP basis financial statements.

Lapsing of Appropriations

All non-capital outlay appropriation balances not reserved by encumbrances or accounts payable lapse at September 30 of each fiscal year. Furthermore, any non-capital outlay appropriation balance not reserved by encumbrances lapses at November 30 following each fiscal year. Encumbrances remain valid for a period of one year following the end of the fiscal year. Balances of encumbrances are reported on the Budgetary Comparison Schedule as expenditures. Capital outlay appropriations for the purchase of land, the construction of buildings, or for the maintenance of roads and bridges of the state highway system continue until the completion of the project.

Budgetary Basis of Accounting and Fund Structure

The State budgets and operates primarily on the budgetary basis which approximates the cash basis with certain material exceptions. During the fiscal year, encumbrances, which represent obligations against current fiscal year appropriations, are accrued. At year end, fund balances are reserved to accrue expenditures for those outstanding encumbrances and estimated accounts payable. In compliance with Amendment 26 to the *Constitution of Alabama of 1901*, the total reservation may not exceed the cash on hand in the State Treasury. Therefore, at year end, cash always equals or exceeds obligations (encumbrances and estimated accounts payable). The Budgetary Comparison Schedule (Non-GAAP Basis) presents comparisons of the adopted budget with actual data on a budgetary basis. The budget excludes funds for all entities operating outside the State Treasury, certain distributive accounts such as those for making distributions to local governments, and most debt service accounts. Since the accounting principles used in the State's budgetary basis of accounting differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of the differences is presented on the schedule. Governmental Accounting Standards Board (GASB) Statement No. 41 requires that budgetary comparison schedules be presented as RSI based on the fund, organization, or program structure that the government uses for its legally adopted budget for a government with significant budgetary perspective differences that result in the government's not being able to present budgetary comparisons for the general fund and each major special revenue fund. The budgetary fund structure for the General Fund group and the Education Trust Fund group is essentially the same as the GAAP fund structure. The Earmarked Fund group does not correspond to a major GAAP fund and these perspective differences are included in the Budget-to-GAAP Reconciliation. The budgets of some major funds are spread throughout various agencies and programs in the Earmarked Fund group. A Detail Schedule of Budget and Actual Expenditures appears in the Governmental Funds subsection of the Combining and Individual Fund Statements and Schedules Section of the CAFR. This schedule provides detailed information at the legal level of control for each individual appropriation item contained in the budget for all budgetary fund groups.

REQUIRED SUPPLEMENTARY INFORMATION

Ten Year Loss Development Information for State Insurance Fund

For the Fiscal Year Ended September 30, 2020

The following table illustrates how the State Insurance Fund's (Fund) earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the previous ten years. The rows of the table are defined as follows: 1) This line shows the total of each fiscal year's gross earned premiums and reported investment revenue, amounts of premiums ceded, and reported premiums (net of reinsurance) and reported investment revenue. 2) This line shows each fiscal year's other operating costs of the Fund including overhead and loss adjustment expenses not allocable to individual claims. 3) This line shows the Fund's gross incurred losses and allocated loss adjustment expense, losses assumed by reinsurers, and net incurred losses and loss adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called accident year). 4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years for each accident year. 5) This line shows the latest reestimated amount of losses assumed by reinsurers for each accident year. 6) This section of ten rows shows how each accident year's net incurred losses increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.) 7) This line compares the latest reestimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally estimated. As data for individual accident years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature accident years. The columns of the table show data for successive accident years.

(Amounts in Thousands)

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Premiums and investment revenue:										
	Earned	30,401	36,732	40,758	44,343	46,049	55,381	60,037	53,966	58,040	63,901
	Ceded	16,625	20,834	26,115	24,153	22,469	21,171	20,273	22,480	29,983	40,429
	Net Earned	13,776	15,898	14,643	20,190	23,580	34,210	39,764	31,486	28,057	23,472
2	Unallocated Expenses	2,863	2,774	3,090	3,375	3,710	3,494	3,270	3,693	3,668	4,057
3	Estimated losses and expenses, end of accident year:										
	Incurred	113,642	38,861	33,467	11,500	8,300	16,450	19,792	126,564	20,737	35,259
	Ceded	91,228	28,359	2,757	—		4,550	6,969	100,664	1,763	1,259
	Net incurred	22,414	10,502	30,710	11,500	8,300	11,900	12,823	25,900	18,974	34,000
4	Net paid (cumulative) as of:										
	End of Accident Year	9,192,688	3,842	16,000	3,823	2,857	6,316	5,240	14,493	5,498	10,921
	One Year Later	16,880	22,703	26,555	8,188	6,477	9,680	10,671	23,021	11,670	
	Two Years Later	22,070	4,351	29,088	8,275	7,000	10,361	12,490	23,081		
	Three Years Later	21,604	11,370	29,611	8,446	7,692	10,650	12,906			
	Four Years Later	21,833	11,369	29,609	8,446	7,692	10,650				
	Five Years Later	21,833	11,369	29,608	8,446	7,692					
	Six Years Later	21,833	11,369	29,606	8,446						
	Seven Years Later	21,833	11,369	29,604							
	Eight Years Later	21,833	11,369								
	Nine Years Later	21,833									
5	Reestimated ceded losses and expenses	72,691	18,662	—	—	—	3,148	3,213	98,045	—	1,259
6	Reestimated net incurred losses and expenses as of:										
	End of Accident Year	22,414	10,502	30,710	11,500	8,300	11,900	12,823	25,900	18,974	34,000
	One Year Later	21,000	32,435	29,711	9,000	7,700	11,800	12,733	25,300	17,700	
	Two Years Later	22,900	11,045	29,688	8,643	7,700	11,000	12,721	23,127		
	Three Years Later	22,062	11,370	29,611	8,446	7,692	10,650	12,951			
	Four Years Later	21,833	11,369	29,609	8,446	7,692	10,650				
	Five Years Later	21,833	11,369	29,607	8,446	7,692					
	Six Years Later	21,833	11,369	29,606	8,446						
	Seven Years Later	21,833	11,369	29,604							
	Eight Years Later	21,833	11,369								
	Nine Years Later	21,833									
7.	Increase (decrease) in estimated net incurred losses and expenses from end of accident year	(581)	867	(1,106)	(3,054)	(608)	(1,250)	128	(2,773)	(1,274)	—

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Teachers' Retirement System
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

Pension Liability Trend Data

Fiscal Year	% of Collective NPL	Proportionate Share of Collective NPL	Covered Payroll	Proportionate Share of NPL as a % of Covered Payroll	Pension Plan FNP as a % of TPL
2019	39.87 %	$ 4,407,835	$ 2,799,485	157.45 %	69.85 %
2018	41.06 %	4,082,818	2,661,584	153.40 %	72.29 %
2017	40.86 %	4,016,090	2,606,833	154.06 %	71.50 %
2016	41.00 %	4,438,794	2,581,488	171.95 %	67.93 %
2015	40.73 %	4,262,429	2,532,066	168.34 %	67.51 %
2014	40.86 %	3,710,637	2,612,755	142.02 %	71.01 %

Information is presented prospectively beginning in 2014.

Information was determined and is presented based on information as of the measurement date one year prior to the CAFR fiscal year end.

Statutorily Required Employer Contributions

Fiscal Year	Contribution Amount	% Contributed	Covered Payroll	% of Covered Payroll
2020	$ 349,244	100 %	$ 2,880,506	12.12 %
2019	340,231	100 %	2,799,485	12.15 %
2018	319,144	100 %	2,661,584	11.99 %
2017	307,935	100 %	2,606,833	11.81 %
2016	304,670	100 %	2,581,488	11.80 %
2015	295,148	100 %	2,532,066	11.66 %

Statute requires employers to contribute at the actuarially determined rate.

Information is presented prospectively beginning in 2015.

Changes in the actuarial assumptions significantly affect the identification of trends in the amounts reported in the Ten Year Trend Information.

Changes of benefit terms

The member contribution rates were increased from 5.00% (6.00% for certified law enforcement, correctional officers, and firefighters) of earnable compensation to 7.25% (8.25%) of earnable compensation effective October 1, 2011, and to 7.50% (8.50%) of earnable compensation effective October 1, 2012. Members hired on or after January 1, 2013 (Tier II), are covered under a new benefit structure, as follows: 1) A service retirement allowance is payable upon the request of any member who has attained age 62 and completed at least 10 years of creditable service (age 56 with 10 years of creditable service for a full-time certified firefighter, police officer or correctional officer). 2) Upon service or disability retirement a member receives a retirement allowance equal to 1.65% of the member's average final compensation multiplied by the number of years of creditable service. The benefit is capped at 80% of the member’s average final compensation (the 5 highest years in the last 10 years of Creditable Service). 3) Regular members contribute 6% of salary and full-time certified firefighters, police officers and correctional officers contribute 7% of salary.

Changes of assumptions

In 2018, the discount rate changed from 7.75% to 7.70%.

In 2016, rates of retirement, disability, withdrawal and mortality were adjusted to more closely reflect actual experience. In 2016, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. In 2016 the expectation of retired life mortality as changed to the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for all ages for males and 112% for ages 78 and over for females. The rates of disabled mortality were based on the RP-2000 Disabled Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% for females.

In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Judicial Retirement Fund
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

Pension Liability Trend Data

Fiscal Year	% of Collective NPL (1)	% Share of NPL Due to State Operations	NPL	Covered Payroll	NPL as a % of Covered Payroll	Pension Plan FNP as a % of TPL
2019	100 %	85.64 %	$ 150,909	$ 43,502	346.90 %	67.44 %
2018	100 %	84.93 %	144,724	42,684	339.06 %	68.68 %
2017	100 %	84.86 %	154,349	42,743	361.11 %	66.22 %
2016	100 %	84.89 %	168,961	42,601	396.61 %	62.54 %
2015	100 %	84.98 %	160,330	41,617	385.25 %	62.20 %
2014	100 %	85.04 %	145,093	42,699	339.80 %	65.46 %

(1) The State is responsible for funding the entire NPL.

Information is presented prospectively beginning in 2014.

Information was determined and is presented based on information as of the measurement date one year prior to the CAFR fiscal year end.

Statutorily Required Employer Contributions

Fiscal Year	Contribution Amount	% Contributed	Covered Payroll	% of Covered Payroll
2020	$ 18,099	100 %	$ 47,442	38.15 %
2019	18,010	100 %	43,502	41.40 %
2018	17,112	100 %	42,684	40.09 %
2017	17,375	100 %	42,743	40.65 %
2016	17,458	100 %	42,601	40.98 %
2015	14,666	100 %	41,617	35.24 %

Statute requires employers to contribute at the actuarially determined rate.

Information is presented prospectively beginning in 2015.

The State is responsible for 100% of employer contributions.
Information is presented prospectively beginning in 2015.

Changes in the actuarial assumptions significantly affect the identification of trends in the amounts reported in the Ten Year Trend Information.

Changes of benefit terms

The member contribution rate was increased from 6.00% of salary to 8.25% of salary on October 1, 2011, and to 8.50% of salary on October 1, 2012. All justices and judges elected or appointed on or after November 8, 2016 are covered under a new benefit structure. In addition, circuit clerks and district attorneys elected or appointed on or after that date will also become members of the Fund and will be covered under the new structure.

Changes of assumptions

In 2018, the discount rate was changed from 7.75% to 7.65%.

In 2016, rates of retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2016, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. In 2016 the expectation of retired life mortality was changed to the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for males and 112% for females older than 78.

In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Employees' Retirement System
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

Schedule of Changes in Net Pension Liability

Total Pension Liability	**2019**	**2018**	**2017**	**2016**	**2015**
Service Costs	$ 118,582	$ 116,133	$ 115,249	$ 119,589	$ 159,234
Interest	616,614	609,961	602,304	588,965	587,703
Change in Assumptions	—	38,231	—	203,894	—
Difference in Expected and Actual Experience	487	(17,240)	(57,055)	11,012	(62,937)
Change in proportion and differences between contributions and proportionate share of contributions	(380)	(443)	—	—	—
Benefit payments, including refunds of employee contributions	(611,120)	(610,485)	(588,299)	(596,794)	(597,910)
Transfers among employers	1,958	2,525	1,529	(871)	19,137
Net change in total pension liability	126,141	138,682	73,728	325,795	105,227
Total pension liability - beginning	8,313,434	8,174,752	8,101,024	7,775,229	7,670,002
Total pension liability - ending (a)	**$8,439,575**	**$8,313,434**	**$8,174,752**	**$8,101,024**	**$7,775,229**
Plan Fiduciary Net Position					
Contributions - employer	$ 227,694	$ 196,080	$ 205,429	$ 206,854	$ 260,832
Contributions - employee	107,817	101,103	99,278	103,187	100,676
Net investment income	136,116	474,828	615,292	467,280	58,073
Benefit payments, including refunds of employee contributions*	(611,120)	(610,485)	(588,299)	(596,794)	(597,910)
Administrative expenses	(15,734)	(13,683)	(14,347)	(12,748)	(13,068)
Transfers among employers	1,958	2,525	726	(871)	6,241
Net change in fiduciary plan net position	(153,269)	150,368	318,079	166,908	(185,156)
Plan fiduciary net position - beginning	5,445,283	5,294,915	4,976,836	4,809,928	4,995,084
Plan fiduciary net position - ending (b)	**$5,292,014**	**$5,445,283**	**$5,294,915**	**$4,976,836**	**$4,809,928**
Net pension liability - ending (a) - (b)	**$3,147,561**	**$2,868,151**	**$2,879,837**	**$3,124,188**	**$2,965,301**
Plan fiduciary net position as a percentage of the total pension liability	62.70 %	65.50 %	64.77 %	61.43 %	61.86 %
Covered payroll - measurement period	$1,494,823	$1,324,433	$1,262,409	$1,295,085	$1,331,883
Net pension liability as a % of covered payroll	210.56 %	216.56 %	228.12 %	241.23 %	222.64 %

Note that information was determined and presented as of the measurement date (one year prior to the CAFR fiscal year-end) and is presented prospectively beginning in 2014.

Actuarially Determined Employer Contributions

	2020	**2019**	**2018**	**2017**	**2016**
Amount	$ 242,127	$ 217,585	$ 195,284	$ 191,906	$ 199,636
% Contributed	100 %	100 %	100 %	100 %	100 %
Covered Payroll	$1,495,250	$ 1,406,070	$ 1,324,433	$ 1,262,409	$ 1,295,085
% of covered payroll	16.19 %	15.47 %	14.74 %	15.20 %	15.41 %

Information presented prospectively beginning in 2015.

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Employees' Retirement System
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

2014
$ 115,716
579,810
—
—
—
(567,669)
—
127,857
7,542,145
$7,670,002
$ 161,114
100,391
556,028
(567,669)
24
249,888
4,745,196
$4,995,084
$2,674,918
65.12 %
$ 1,280,583
208.88 %

2015
$ 185,110
100 %
$1,331,883
13.90 %

Valuation Date: September 30, 2017

Actuarially determined contribution rates are calculated as of September 30, two years prior to the beginning of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	28.9 years
Asset valuation method	Five year smoothed fair value
Inflation	2.75%
Salary increases	3.25-5.00%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation.

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Alabama Retired State Employees' Health Care Trust
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

Schedule of Changes in Net OPEB Liability

Total OPEB Liability	2019	2018	2017
Service Costs	$ 48,549	$ 92,000	$ 112,694
Interest	128,498	117,401	103,761
Change in Assumptions	155,046	(316,067)	(370,644)
Difference in Expected and Actual Experience	(1,416,277)	(53,041)	—
Change in proportion and differences between employer contributions and proportionate share of contributions	(496)	(822)	—
Benefit payments, including refunds of employee contributions	(73,986)	(79,799)	(91,641)
Net change in total OPEB liability	(1,158,666)	(240,328)	(245,830)
Total pension liability - beginning	3,060,734	3,301,062	3,546,892
Total OPEB liability - ending (a)	**$ 1,902,068**	**$3,060,734**	**$3,301,062**
Plan Fiduciary Net Position			
Contributions - employer	$ 74,067	$ 79,871	$ 92,063
Net investment income	6,614	15,755	17,749
Benefit payments, including refunds of employee contributions*	(73,986)	(79,799)	(91,641)
Administrative expenses	(89)	(72)	(414)
Net change in fiduciary plan net position	6,606	15,755	17,757
Plan fiduciary net position - beginning	182,538	166,783	149,026
Plan fiduciary net position - ending (b)	**$ 189,144**	**$ 182,538**	**$ 166,783**
Net OPEB liability - ending (a) - (b)	**$ 1,712,924**	**$2,878,196**	**$3,134,279**
Plan fiduciary net position as a percentage of the total OPEB liability	9.94 %	5.96 %	5.05 %
Covered payroll - measurement period	$ 1,558,377	$1,470,777	$1,409,257
Net OPEB liability as a % of covered payroll	109.92 %	195.69 %	222.41 %

*Benefit payments are net of member contributions

Note that information was determined and presented as of the measurement date (one year prior to the CAFR fiscal year-end) and is presented prospectively beginning in 2017.

Actuarially Required Employer Contributions

(Amounts in Thousands)

Fiscal Year	Actuarially Determined Contribution	Contribution Amount	Contribution Deficiency	Covered Payroll	Contributions as % of Covered Payroll
2020	$ 107,984	$ 53,827	$ 54,157	$ 1,659,882	3.24 %
2019	168,464	73,292	95,172	1,558,377	4.70
2018	163,178	79,611	83,567	1,470,777	5.41

Information presented prospectively beginning in 2018.

Changes in the actuarial assumptions significantly affect the identification of trends in the amounts reported in the Ten Year Trend Information.

Changes in actuarial assumptions:
In 2019, the anticipated rates of participation, spouse coverage, and tobacco use were adjusted to more closely reflect actual experience.

Recent Plan Changes:
Beginning in plan year 2021, MAPD plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019. The repeal resulted in a significant decrease in the net opeb liability.

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

The Health Plan is changed each year to reflect the ACA maximum annual out-of-pocket amounts.

Method and assumptions used in calculations of actuarially determined contributions:

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level Percent of Pay, open
Remaining Amortization Period:	30 Years
Asset Valuation Method:	Fair Value of Assets
Inflation:	2.75%
Healthcare Cost Trend Rate:	
Pre-Medicare Eligible	7.00%
Medicare Eligible	5.50%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.75% in 2026
Medicare Eligible	4.75% in 2024
Dental Trend Rate	4.50%
Investment Rate of Return:	5%, including inflation

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Alabama Retired Education Employees' Health Care Trust
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

OPEB Liability

Fiscal Year	Proportionate Share of Collective NOL* (%)	Proportionate Share of Collective NOL ($)	Covered Payroll	Collective Share of NOL as a % of Covered Payroll	OPEB Plan's FNP* as a % of TOL*
2019	25.95 %	$ 979,075	$ 2,690,709	36.39 %	28.14 %
2018	28.52	2,344,045	2,557,924	91.64	14.81
2017	30.24	2,245,990	2,502,728	89.74	15.37

*Net OPEB Liability (NOL), Fiduciary Net Position (FNP), Total OPEB Liability (TOL)

Information is presented prospectively beginning in 2017.

Information was determined and is presented as of the measurement date one year prior to the CAFR fiscal year-end.

Statutorily Required Employer Contributions

Fiscal Year	Statutorily Required Contribution	Contributions Recognized (%)	Covered Payroll	Contributions as % of Covered Payroll
2020	$ 68,818	100 %	$ 2,762,641	2.49 %
2019	74,115	100	2,690,709	2.75
2018	74,182	100	2,557,924	2.90

Information is presented prospectively beginning in 2018.

Changes in actuarial assumptions
In 2019, the anticipated rates of participation, spouse coverage, and tobacco use were adjusted to more closely reflect actual experience.

Recent Plan Changes:
Beginning in plan year 2021, the MAPD plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019. The change resulted in a significant decrease in the net open liability.

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through the UnitedHealthcare Medicare Advantage Plan with Prescription Drug Coverage (MAPD).

The Plan was changed in 2017 to reflect the Affordable Care Act (ACA) maximum annual out-of-pocket amounts.

Modified Approach

As allowed by GASB Statement Number 34, the State has adopted the modified approach for reporting roadway and bridge infrastructure assets. Under the modified approach, depreciation is not recorded. Infrastructure costs that result in an increase in the capacity or an improvement in the efficiency of the infrastructure network are capitalized and added to the historical cost of the assets. Costs that allow the infrastructure network to be used efficiently over the expected useful life of the assets are expensed as general maintenance costs. Certain maintenance costs that extend the useful life of the assets but do not increase capacity or efficiency are classified as preservation costs. Preservation costs are expensed and reported in lieu of a charge for depreciation expense. Assets accounted for under the modified approach in fiscal year 2020 include approximately 10,887 miles of state maintained highways and 5,414 of state maintained bridges and culverts.

In order to utilize the modified approach, Alabama is required to:

- Maintain an asset management system that includes an inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate annually the amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at or above the established condition level.

Roads

Measurement Scale

The Alabama Department of Transportation uses the International Roughness Index (IRI) to measure and monitor pavement conditions. The IRI is a standard representing the perceived smoothness of pavements while traveling in passenger cars. The smoothness is measured by the cumulative height the wheel of a vehicle travels vertically over a mile long section of roadway. For example, if the wheel of a vehicle travels vertically 1.0 inches every 0.01 miles, the IRI for that 1 mile section of roadway would be the sum of 100 measurements (0.01 X 100 = 1 mile) of 1.0 inches each or 100 inches/mile. A lower IRI measurement represents a smoother condition of pavement.

Data is collected by route samples and complete route assessments when available. If data is collected in route samples, the samples are weighted by route length to give system averages. If data is collected for the complete route, the frequency of collection is every 0.01 mile and no weighting is used in the computation of system averages.

The United States Department of Transportation developed suggested values for IRI of <60 inches/mile to >220 inches/mile to grade the smoothness condition of the roadway. The Alabama Department of Transportation utilizes this scale of suggested values in its roadway condition assessments. The IRI scale is as follows:

IRI Rating	Condition	Description
> 170 Interstates > 220 Other Routes	Poor	Significant Maintenance Required (Resurfacing or Reconstruction)
120-170 Interstates 171-220 Other Routes	Mediocre	Moderate Maintenance Required (Resurfacing or Reconstruction)
95-119 Interstates 95-170 Other Routes	Fair	Routine Maintenance Required (Pavement Patching)
60-94 All Routes	Good	Negligible Maintenance Required
< 60 All Routes	Very Good	No Maintenance Required

Established Condition Level
The weighted average rating of all State maintained roadways shall be "Fair" or better.'

Assessed Conditions
The following table represents the most recent condition assessment for roadways classified by Non-Interstate Non-National Highway System Routes, Non-Interstate National Highway System Routes, and Interstate Routes:

	As of September 30,					
	2020		2019		2018	
Category	**Miles**	**Rating**	**Miles**	**Rating**	**Miles**	**Rating**
Non-Interstate Non-National Highway System	6,694	79.46	6,713	82.82	6,703	87.24
Non-Interstate National Highway System	3,180	67.91	3,172	70.97	3,183	73.34
Interstate System	1,002	59.08	1,002	57.94	1,002	61.03
Total and Weighted Average Rating	**10,876**	**74.21**	**10,887**	**77.08**	**10,888**	**80.76**

Bridges
Measurement Scale
ALDOT uses a weighted rating of the major structure components and the deck area of a bridge or culvert. The GASB 34 Bridge Rating is a zero to ten score assigned to each component-rating category and then averaged for each bridge asset classification using an algorithm developed by the ALDOT Maintenance Bureau. The algorithm uses the assessed weighted ratings, each bridge deck area, and the sum of all deck areas. The ten point scale is as follows:

Rating	Condition	Description
1 - 4.99	Marginal	Structural elements have been seriously affected by deterioration.
5 - 6.99	Satisfactory	Structural elements are sound but have minor deterioration.
7 or Greater	Good	Structural elements show negligible signs of deterioration.

Established Condition Level
The weighted average rating of all State maintained bridges and culverts shall be "Satisfactory" or better.

Assessed Conditions
The following table represents the most recent condition assessment for bridges and culverts classified by Non-Interstate Non-National Highway System Routes, Non-Interstate National Highway System Routes, and Interstate Routes:

	As of September 30,					
	2020		2019		2018	
Category	**Structures**	**Rating**	**Structures**	**Rating**	**Structures**	**Rating**
Non-Interstate Non-National Highway System	2,337	6.60	2,329	6.62	2,324	6.66
Non-Interstate National Highway System	1,828	6.49	1,833	6.56	1,838	6.58
Interstate System	1,249	6.09	1,247	6.05	1,244	6.04
Total and Weighted Average Rating	**5,414**	**6.45**	**5,409**	**6.47**	**5,406**	**6.49**

Estimated and Actual Costs

For fiscal years 2020, 2019, 2018, 2017, and 2016, the State estimated it would need to spend $ 413.9, $382.8, $357.8, $361.8, and $323.6, respectively, to preserve and maintain all roadway assets (amounts in millions) and $10 million in each year to preserve all bridge assets at or above the "Established Condition Levels" presented above. The State spent $448,272,000 for roadway preservation and $295,387,000 for bridge preservation in fiscal year 2020. The State spent $536,864,000 for roadway preservation and $349,427,000 for bridge preservation in fiscal year 2019. The State spent $520,098,000 for roadway preservation and $492,721,000 for bridge preservation in fiscal year 2018. The State spent $372,860,000 for road preservation and $286,279,000 for bridge preservation in fiscal year 2017. In fiscal year 2016, the State spent $324,726,000 for road preservation and $163,389,000 for bridge preservation. In the next fiscal year, the Alabama Department of Transportation estimates that it will need to spend approximately $426,226,781 to preserve all roadway assets and approximately $10,000,000 to preserve all bridge assets at or above the "Established Condition Levels" presented above. Condition levels are expected to continue to meet or exceed the "Established Condition Levels".

COMBINING BALANCE SHEET

Nonmajor Governmental Funds by Fund Type

September 30, 2020

(Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 2,362,569	$ 62,943	$ 75,552	$ 962	$ 2,502,026
Investments	1,111,899	189,123	199,176	114,688	1,614,886
Due From Other Funds	125,647	—	—	—	125,647
Due From Component Units	14,438	—	42,098	—	56,536
Investment Sales Receivable	1,627	—	—	—	1,627
Accounts Receivable	89,766	—	—	294	90,060
Taxes Receivable	368,000	4,548	—	—	372,548
Due From Other Governments	169,166	—	—	—	169,166
Mortgages, Notes, and Loans Receivable	—	—	—	68	68
Securities Lending Collateral	566	—	—	1,851	2,417
Inventory	1,338	—	—	—	1,338
Restricted Assets	1,412	—	—	—	1,412
Other Assets	167	—	—	—	167
TOTAL ASSETS	**$ 4,246,595**	**$ 256,614**	**$ 316,826**	**$ 117,863**	**$ 4,937,898**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 15,411	$ 0	$ 36	$ 0	$ 15,447
Investment Purchases Payable	4,131	—	—	—	4,131
Due To Other Funds	46,465	—	—	73	46,538
Due To Component Units	946	—	—	—	946
Accounts Payable	330,496	—	1,456	112	332,064
Due To Other Governments	191,147	—	—	—	191,147
Claims Payable	11	—	—	—	11
Securities Lending Obligation	566	—	—	1,851	2,417
Unearned Revenue	4,333	—	—	—	4,333
Amounts Held in Custody for Others	116,254	—	—	—	116,254
Compensated Absences	707	—	—	—	707
TOTAL LIABILITIES	**710,467**	**—**	**1,492**	**2,036**	**713,995**
Deferred Inflows of Resources	**343,346**	**0**	**19,065**	**0**	**362,411**
Fund Balances					
Nonspendable:					
Inventory	1,338	—	—	—	1,338
Permanent Fund Principal	—	—	—	97,703	97,703
Restricted for:					
Economic Development and Regulation	165,667	—	—	—	165,667
Education and Cultural Resources	838,750	—	—	2,131	840,881
Natural Resources and Recreation	157,668	—	—	—	157,668
Health	422,330	—	—	458	422,788
Social Services	248,269	—	—	15,535	263,804
Protection of Persons and Property	261,642	—	—	—	261,642
Transportation	199,409	—	—	—	199,409
General Government	834,532	—	—	—	834,532
Capital Projects	—	—	296,269	—	296,269
Debt Service	—	256,614	—	—	256,614
Assigned for:					
Economic Development and Regulation	1,566	—	—	—	1,566
Education and Cultural Resources	12,942	—	—	—	12,942
Social Services	208	—	—	—	208
Protection of Persons and Property	34,688	—	—	—	34,688
General Government	22,287	—	—	—	22,287
Unassigned	(8,514)	—	—	—	(8,514)
Total Fund Balances	**3,192,782**	**256,614**	**296,269**	**115,827**	**3,861,492**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 4,246,595**	**$ 256,614**	**$ 316,826**	**$ 117,863**	**$ 4,937,898**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Governmental Funds by Fund Type

For the Fiscal Year Ended For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Funds	Totals
REVENUES					
Taxes	$ 1,673,139	$ 143,586	$ 0	$ 0	$ 1,816,725
Licenses, Permits, and Fees	984,845	—	—	1,492	986,337
Fines, Forfeits, and Court Settlements	184,361	—	—	—	184,361
Investment Income	55,886	6,483	1,967	6,238	70,574
Federal Grants and Reimbursements	2,291,540	4,546	—	—	2,296,086
Other Revenues	504,204	23,499	7,642	11	535,356
Total Revenues	**5,693,975**	**178,114**	**9,609**	**7,741**	**5,889,439**
EXPENDITURES					
Current:					
Economic Development and Regulation	156,357	—	—	—	156,357
Education and Cultural Resources	1,623,346	—	—	441	1,623,787
Natural Resources and Recreation	195,553	—	—	—	195,553
Health	2,021,852	—	—	—	2,021,852
Social Services	463,855	—	—	37	463,892
Protection of Persons and Property	637,234	—	—	—	637,234
Transportation	348,878	—	—	—	348,878
General Government	1,072,961	—	—	8	1,072,969
Capital Outlay	2,161	—	37,612	—	39,773
Debt Service - Principal Retirement	4,963	313,435	—	—	318,398
Debt Service - Interest and Other Charges	3,258	192,701	—	—	195,959
Total Expenditures	**6,530,418**	**506,136**	**37,612**	**486**	**7,074,652**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(836,443)**	**(328,022)**	**(28,003)**	**7,255**	**(1,185,213)**
OTHER FINANCING SOURCES (USES)					
Transfers In	2,789,185	362,041	10,497	3,139	3,164,862
Bonds Issued	—	—	118,460	—	118,460
Capital Leases and Direct Borrowings	1,148	—	—	—	1,148
Debt Issuance Premiums	—	—	32,155	—	32,155
Insurance Recovery Proceeds	1,580	—	43	—	1,623
Transfers Out	(1,329,816)	(2,244)	(138,996)	(1,567)	(1,472,623)
Payments to Refunded Bond Escrow Agent	—	—	—	—	—
Total Other Financing Sources (Uses)	**1,462,097**	**359,797**	**22,159**	**1,572**	**1,845,625**
Net Change in Fund Balances	**625,654**	**31,775**	**(5,844)**	**8,827**	**660,412**
Fund Balances, October 1, 2019, as Restated	2,567,387	224,839	302,113	107,000	3,201,339
Increase (Decrease) in Inventory	(259)	—	—	—	(259)
Fund Balances, September 30, 2020	**$ 3,192,782**	**$ 256,614**	**$ 296,269**	**$ 115,827**	**$ 3,861,492**

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

Nonmajor Special Revenue Funds

Nonmajor Special Revenue Funds account for specific revenue sources that are legally restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Public Health
Accounts for resources used for the primary operations of the Department of Public Health, which promotes the general physical health, enforces laws relating to public health and operates programs providing preventive and treatment services to the public.

Education Department
Accounts primarily for Federal programs administered by the State Department of Education.

Economic and Community Affairs
The Department of Economic and Community Affairs oversees federal and State programs related to energy management, skills enhancement and employment opportunities, traffic control and accident prevention, and state and regional planning.

Revenues Allocated to Other Governments
Accounts for revenues from taxes and other revenue sources which are shared with local governments and component units.

Other Medicaid
Accounts for activity associated with the Medicaid program that is not reported in the Major Governmental Funds under either the General Fund or the Medicaid Fund.

Mental Health
Accounts for resources used by the Department of Mental Health to care for citizens who suffer from mental illness.

Public School Fund
Accounts for revenues and expenditures which are allocated to local boards of education for support of educational programs.

Alabama Public School and College Authority
Accounts for resources used by the Authority, primarily to make grants to local public school systems for capital expenditures.

Labor
Administers the employment security, workers compensation, and industrial safety and accident prevention programs.

Conservation
Is responsible for the management of the State's game and wildlife resources as well as operation of the State parks system.

Twenty-first Century Authority
Accounts for resources used by the Authority for the purpose of making incentive grants to major industries locating or expanding within the State.

ETF Budget Stabilization
Responsible for preventing proration in the Education Trust Fund

ETF Advancement and Technology Fund
Assists in paying nonrecurring expenses: repairs or deferred maintenance of facilities for public education purposes in the state, for classroom instructional support.

Veteran's Affairs
Accounts used by the Alabama Department of Veteran's Affairs in the assistance of Veterans and their dependents.

Corrections
Accounts for resources used by the Department of Corrections in their effort to provide safe and secure confinement, rehabilitation, and successful re-entry of offenders.

Environmental management
Accounts for resources used by the Department of Environmental Management in the enforcement of environmental policy

Professional and Occupational Boards
Accounts for resources used by Alabama Professional and Occupational Boards in the regulation of professional licensing standards

Emergency Management
Accounts for resources used by Alabama Emergency Management Agency in the production of emergency preparedness programs.

Rehabilitation Services
Accounts for resources used by Alabama Department of Rehabilitation Services in the assistance and support of people with disabilities in Alabama

Children First Trust
The Children First Trust Fund uses funds from the tobacco Master Settlement Agreement to address unmet needs of children in the State of Alabama

Fair Trial Tax Fund
Provides funding for the criminal defense of people who cant afford a lawyer.

Alabama Capital Improvement Trust
Funds capital outlay projects that maintain, improve, or build permanent structures for the Alabama state government. Along with the maintenance of the highway system and the payment of debt service for bonds.

County and Municipal Capital Improvement
Funds used in the creation and upkeep of state dock and management of general obligation bonds.

Revenue Administrative Fund
Accounts for resources used by the Department of Revenue in the administration of revenue laws

Rebuild Alabama Fund
Finances infrastructure upkeep and improvement.

Unclaimed Property Reserve Fund
Is responsible for returning unclaimed property given to the state by financial institutions to their owners.

Commerce
Accounts used by the Alabama Department of Commerce to spur economic growth in Alabama

Law Enforcement
Accounts used by the Alabama Law Enforcement Agency for law enforcement activities

General Fund Budget Reserve Fund
Responsible for preventing proration in the General Fund

Administrative office of courts
Accounts used by the Administrative office of courts to maintain the courts in Alabama.

Other Special Revenue Funds
Are aggregated for reporting purposes and account for various other resources which must be used for specific purposes.

COMBINING BALANCE SHEET

Nonmajor Special Revenue Funds

September 30, 2020

(Amounts in Thousands)

	Public Health Department	Education Department	Economic and Community Affairs	Revenues Allocated to Other Governments	Other Medicaid Funds
ASSETS					
Cash and Cash Equivalents	$ 143,747	$ 40,677	$ 31,577	$ 70,502	$ 50,531
Investments	—	—	28,005	—	—
Due From Other Funds	25,458	1,780	2,850	399	—
Due From Component Units	496	—	—	—	—
Investment Sales Receivable	—	—	—	—	—
Accounts Receivable	9	25	318	—	—
Taxes Receivable	201	11	—	27,093	10,634
Due From Other Governments	13,245	111,589	18,909	—	—
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	27	—	—
Restricted Assets	—	—	1,379	—	—
Other Assets	—	—	—	—	—
TOTAL ASSETS	**$ 183,156**	**$ 154,082**	**$ 83,065**	**$ 97,994**	**$ 61,165**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 291	$ 812	$ 137	$ 182	0
Investment Purchases Payable	—	—	—	—	—
Due To Other Funds	9,600	137	2,803	—	—
Due To Component Units	—	—	143	—	—
Accounts Payable	45,743	17,103	18,440	58	—
Due To Other Governments	2,351	92,074	4,428	62,902	—
Claims Payable	—	—	—	—	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Amounts Held in Custody for Others	—	—	—	—	—
Compensated Absences	124	32	—	—	—
TOTAL LIABILITIES	**58,109**	**110,158**	**25,951**	**63,142**	**0**
Deferred Inflows of Resources	**0**	**0**	**6,940**	**0**	**0**
Fund Balances					
Nonspendable:					
Inventory	0	0	27	0	0
Restricted for:					
Economic Development and Regulation	—	—	—	101	—
Education and Cultural Resources	—	41,927	—	—	—
Natural Resources and Recreation	—	—	—	—	—
Health	125,047	—	—	—	61,165
Social Services	—	1,997	—	—	—
Protection of Persons and Property	—	—	—	494	—
Transportation	—	—	—	21,650	—
General Government	—	—	50,147	12,607	—
Assigned for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
General Government	—	—	—	—	—
Unassigned	—	—	—	—	—
Total Fund Balances	**125,047**	**43,924**	**50,174**	**34,852**	**61,165**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 183,156**	**$ 154,082**	**$ 83,065**	**$ 97,994**	**$ 61,165**

Mental Health	ETF Budget Stabilization	ETF Advancement and Technology Fund	Public School Fund	Public School and College Authority	Labor Department	Conservation and Natural Resources	Twenty-first Century Authority
$ 187,375	$ 1,665	$ 259,543	$ 48,393	$ 9,215	$ 30,570	$ 144,909	$ 3,513
—	300,073	—	—	26,372	16,041	326	—
50,789	—	—	—	—	762	2,432	—
—	12,947	—	—	—	—	576	—
—	—	—	—	—	—	—	—
—	—	—	—	—	130	32	73,874
136,214	—	—	175,949	—	—	213	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
133	—	—	—	—	—	749	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
$ 374,511	**$ 314,685**	**$ 259,543**	**$ 224,342**	**$ 35,587**	**$ 47,503**	**$ 149,237**	**$ 77,387**
$ 625	0	0	0	$ 6	$ 214	$ 442	0
—	—	—	—	—	—	—	—
9,968	—	—	—	2	1,936	6,822	—
1	—	—	—	—	411	2	—
77,859	—	—	—	1,013	4,576	13,867	—
7,433	—	—	—	—	29	745	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	247	—
66	—	—	—	—	61	44	0
95,952	**0**	**0**	**0**	**1,021**	**7,227**	**22,169**	**0**
98,314	**12,947**	**0**	**147,623**	**0**	**0**	**0**	**73,875**
133	0	0	0	0	0	749	0
—	—	—	—	—	—	—	3,512
—	301,738	259,543	76,719	34,566	—	—	—
—	—	—	—	—	—	126,319	—
180,112	—	—	—	—	—	—	—
—	—	—	—	—	21,507	—	—
—	—	—	—	—	18,769	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
180,245	**301,738**	**259,543**	**76,719**	**34,566**	**40,276**	**127,068**	**3,512**
$ 374,511	**$ 314,685**	**$ 259,543**	**$ 224,342**	**$ 35,587**	**$ 47,503**	**$ 149,237**	**$ 77,387**

Continued on next page...

COMBINING BALANCE SHEET

Nonmajor Special Revenue Funds *Continued from previous page*

September 30, 2020

(Amounts in Thousands)

	Veteran Affairs	Corrections	Environmental Management	Professional and Occupational Boards	Emergency Management
ASSETS					
Cash and Cash Equivalents	$ 192,303	$ 21,860	$ 30,107	$ 58,330	$ 1,550
Investments	—	—	32,200	19,121	—
Due From Other Funds	2,175	13,418	176	2,161	727
Due From Component Units	—	—	415	—	—
Investment Sales Receivable	—	—	—	—	—
Accounts Receivable	—	93	23	69	—
Taxes Receivable	—	—	—	—	—
Due From Other Governments	2,358	—	—	—	1,581
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	—	—
Restricted Assets	—	—	—	—	—
Other Assets	—	—	—	15	—
TOTAL ASSETS	**$ 196,836**	**$ 35,371**	**$ 62,921**	**$ 79,696**	**$ 3,858**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 3,882	$ —	$ 190	$ 69	$ 73
Investment Purchases Payable	—	—	—	—	—
Due To Other Funds	2	—	4,140	2,353	334
Due To Component Units	—	—	250	—	—
Accounts Payable	7,137	3,072	9,225	2,873	346
Due To Other Governments	1	—	1,120	37	1,498
Claims Payable	—	—	—	—	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	—	—	—	3,629	—
Amounts Held in Custody for Others	—	—	—	913	—
Compensated Absences	—	—	19	7	—
TOTAL LIABILITIES	**11,022**	**3,072**	**14,944**	**9,881**	**2,251**
Deferred Inflows of Resources	**0**	**0**	**0**	**0**	**0**
Fund Balances					
Nonspendable:					
Inventory	0	0	0	0	0
Restricted for:					
Economic Development and Regulation	—	—	—	32	—
Education and Cultural Resources	2,552	—	—	—	—
Natural Resources and Recreation	—	—	—	1	—
Health	—	—	47,977	—	—
Social Services	183,262	—	—	—	—
Protection of Persons and Property	—	32,299	—	69,782	1,607
Transportation	—	—	—	—	—
General Government	—	—	—	—	—
Assigned for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
General Government	—	—	—	—	—
Unassigned	—	—	—	—	—
Total Fund Balances	**185,814**	**32,299**	**47,977**	**69,815**	**1,607**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 196,836**	**$ 35,371**	**$ 62,921**	**$ 79,696**	**$ 3,858**

Rehabilitation Services	Children First Trust	Forever Wild Trust	Fair Trial Tax Fund	Alabama Capital Improvement Trust	County and Municipal Capital Improvement	Revenue Administrative Fund	Rebuild Alabama Fund
$ 31,842	$ 27,390	$ 1,273	$ 14,200	$ 0	$ 96	$ 18,329	$ 106,420
—	—	19,919	—	3,515	524,773	—	—
7,688	27	—	—	—	—	329	305
—	—	—	—	—	—	—	—
—	—	—	—	—	1,627	—	—
9	—	—	4	10	1,302	—	—
—	—	—	10	—	—	5,500	10,777
—	—	—	—	—	—	—	5,869
—	—	—	—	—	—	—	—
104	—	—	—	—	—	81	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
$ 39,643	**$ 27,417**	**$ 21,192**	**$ 14,214**	**$ 3,525**	**$ 527,798**	**$ 24,239**	**$ 123,371**
$ 433	$ —	$ 0	$ 759	$ —	$ 0	$ 789	$ 536
—	—	—	—	—	4,131	—	—
1,472	797	—	83	—	—	1,154	—
—	138	—	—	—	—	—	—
15,969	479	65	1,061	—	—	10,768	4,661
524	24	4	3	—	—	15	464
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	46	—
—	—	—	—	—	—	65	—
18,398	**1,438**	**69**	**1,906**	**—**	**4,131**	**12,837**	**5,661**
0	**0**	**0**	**0**	**3**	**458**	**0**	**0**
104	0	0	0	0	0	81	0
—	—	—	—	—	—	—	—
2,055	—	—	—	—	—	—	—
—	—	21,123	—	—	—	—	—
—	4,021	—	—	—	—	—	—
19,086	13,031	—	—	—	—	—	—
—	5,416	—	—	—	—	—	—
—	—	—	—	—	—	—	117,710
—	3,511	—	12,308	3,522	523,209	11,321	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
21,245	**25,979**	**21,123**	**12,308**	**3,522**	**523,209**	**11,402**	**117,710**
$ 39,643	**$ 27,417**	**$ 21,192**	**$ 14,214**	**$ 3,525**	**$ 527,798**	**$ 24,239**	**$ 123,371**

Continued on next page...

COMBINING BALANCE SHEET

Nonmajor Special Revenue Funds *Continued from previous page*

September 30, 2020

(Amounts in Thousands)

	Unclaimed Property Reserve Fund	Commerce	Law Enforcement	General Fund Budget Reserve Fund	Administrative Office of Courts
ASSETS					
Cash and Cash Equivalents	$ 116,382	$ 89,249	$ 54,466	$ 5,000	$ 88,698
Investments	—	—	—	—	—
Due From Other Funds	50	111	4,348	—	679
Due From Component Units	—	—	—	—	—
Investment Sales Receivable	—	—	—	—	—
Accounts Receivable	10	117	798	—	10
Taxes Receivable	—	—	78	—	—
Due From Other Governments	—	4,508	3,894	—	—
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	—	—
Restricted Assets	—	—	—	—	—
Other Assets	—	—	—	—	—
TOTAL ASSETS	**$ 116,442**	**$ 93,985**	**$ 63,584**	**$ 5,000**	**$ 89,387**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 2,877	64	$ 251	$ —	$ 124
Investment Purchases Payable	—	—	—	—	—
Due To Other Funds	—	18	1,932	—	143
Due To Component Units	—	—	—	—	—
Accounts Payable	—	8,517	15,082	—	1,932
Due To Other Governments	—	61	762	—	440
Claims Payable	—	—	—	—	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Amounts Held in Custody for Others	113,515	—	606	—	15
Compensated Absences	—	108	105	—	—
TOTAL LIABILITIES	**116,392**	**8,768**	**18,738**	**0**	**2,654**
Deferred Inflows of Resources	**0**	**3,186**	**0**	**0**	**—**
Fund Balances					
Nonspendable:					
Inventory	0	0	0	0	0
Restricted for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	80,739	—	—	—
Natural Resources and Recreation	—	—	—	—	—
Health	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	44,846	—	—
Transportation	—	—	—	—	—
General Government	50	1,292	—	5,000	86,733
Assigned for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
General Government	—	—	—	—	—
Unassigned	—	—	—	—	—
Total Fund Balances	**50**	**82,031**	**44,846**	**5,000**	**86,733**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 116,442**	**$ 93,985**	**$ 63,584**	**$ 5,000**	**$ 89,387**

Miscellaneous Special Revenue Funds	Total
$ 482,857	$ 2,362,569
141,554	1,111,899
8,983	125,647
4	14,438
—	1,627
12,933	89,766
1,320	368,000
7,213	169,166
566	566
244	1,338
33	1,412
152	167
$ 655,859	**$ 4,246,595**
$ 2,655	$ 15,411
—	4,131
2,769	46,465
1	946
70,650	330,496
16,232	191,147
11	11
566	566
704	4,333
912	116,254
76	707
94,576	**710,467**
0	**343,346**
244	1,338
162,022	165,667
38,911	838,750
10,225	157,668
4,008	422,330
9,386	248,269
88,429	261,642
60,049	199,409
124,832	834,532
1,566	1,566
12,942	12,942
208	208
34,688	34,688
22,287	22,287
(8,514)	(8,514)
561,283	**3,192,782**
$ 655,859	**$ 4,246,595**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Special Revenue Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Public Health Department	Education Department	Economic and Community Affairs	Revenues Allocated to Other Governments	Other Medicaid Funds
REVENUES					
Taxes	$ 2,231	$ 1,758	$ 0	$ 444,511	$ 421,944
Licenses, Permits, and Fees	153,065	759	2,095	34,704	—
Fines, Forfeits, and Court Settlements	64	—	1,145	1	—
Investment Income	—	—	596	—	—
Federal Grants and Reimbursements	492,662	1,026,643	179,230	1,480	—
Other Revenues	41,379	8,790	4,748	91	—
Total Revenues	**689,401**	**1,037,950**	**187,814**	**480,787**	**421,944**
EXPENDITURES					
Current:					
Economic Development and Regulation	—	—	—	1,748	—
Education and Cultural Resources	—	983,645	—	—	—
Natural Resources and Recreation	—	—	—	2,574	—
Health	661,869	—	—	378	399,565
Social Services	—	52,796	—	—	—
Protection of Persons and Property	—	—	—	7,734	—
Transportation	—	—	—	276,008	—
General Government	—	—	201,382	219,980	—
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	738	—	—	—	—
Debt Service - Interest and Other Charges	358	—	—	—	—
Total Expenditures	**662,965**	**1,036,441**	**201,382**	**508,422**	**399,565**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**26,436**	**1,509**	**(13,568)**	**(27,635)**	**22,379**
OTHER FINANCING SOURCES (USES)					
Transfers In	86,318	2,628	37,176	57,270	33,192
Capital Leases	—	—	—	—	—
Insurance Recovery Proceeds	—	—	5	—	—
Transfers Out	(52,396)	(1,213)	(20,384)	—	(33,192)
Total Other Financing Sources (Uses)	**33,922**	**1,415**	**16,797**	**57,270**	**0**
Net Change in Fund Balances	**60,358**	**2,924**	**3,229**	**29,635**	**22,379**
Fund Balances, October 1, 2019, as Restated	64,689	41,000	46,999	5,217	38,786
Increase (Decrease) in Inventory	—	—	(54)	—	—
Fund Balances, September 30, 2020	**$ 125,047**	**$ 43,924**	**$ 50,174**	**$ 34,852**	**$ 61,165**

Mental Health	ETF Budget Stabilization	ETF Advancement and Technology Fund	Public School Fund	Public School and College Authority	Labor Department	Conservation and Natural Resources	Twenty-first Century Authority
$ 219,226	$ 0	$ 0	$ 205,709	$ 0	$ 4,396	$ 11,849	$ 0
73	—	—	10	—	306	28,161	—
—	—	—	—	—	38	497	103,382
—	1,035	—	—	475	433	824	14
59,735	—	—	—	—	62,724	46,814	—
6,882	—	—	36,661	(1)	4,244	108,804	—
285,916	**1,035**	**—**	**242,380**	**474**	**72,141**	**196,949**	**103,396**
—	—	—	—	—	—	—	201
—	—	240,490	185,531	42,127	—	—	—
—	—	—	—	—	—	153,962	—
847,861	—	—	—	—	—	—	—
—	—	—	—	—	73,686	—	—
—	—	—	—	—	12,568	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	22	—	—
—	—	—	533	—	5	—	13
847,861	**—**	**240,490**	**186,064**	**42,127**	**86,281**	**153,962**	**214**
(561,945)	**1,035**	**(240,490)**	**56,316**	**(41,653)**	**(14,140)**	**42,987**	**103,182**
963,315	368,169	515,086	533	—	19,067	14,917	16,613
—		—	—	—	—	—	—
—	—	—	—	—	7	427	—
(346,389)	(301,666)	(15,053)	(45,969)	(5)	(1,053)	(27,695)	(119,382)
616,926	**66,503**	**500,033**	**(45,436)**	**(5)**	**18,021**	**(12,351)**	**(102,769)**
54,981	**67,538**	**259,543**	**10,880**	**(41,658)**	**3,881**	**30,636**	**413**
125,489	234,200	—	65,839	76,224	36,395	96,387	3,099
(225)	—	—	—	—	—	45	—
$ 180,245	**$ 301,738**	**$ 259,543**	**$ 76,719**	**$ 34,566**	**$ 40,276**	**$ 127,068**	**$ 3,512**

Continued on next page...

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Special Revenue Funds *Continued from previous page*

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Veteran Affairs	Corrections	Environmental Management	Professional and Occupational Boards	Emergency Management
REVENUES					
Taxes	$ 0	$ 0	$ 8,089	$ 2	$ 0
Licenses, Permits, and Fees	61	6,218	66,700	47,739	—
Fines, Forfeits, and Court Settlements	—	1,612	3,160	8,961	—
Investment Income	9	1	443	1,221	—
Federal Grants and Reimbursements	34,555	—	17,661	—	34,860
Other Revenues	1,091	13,580	1,276	1,414	820
Total Revenues	**35,716**	**21,411**	**97,329**	**59,337**	**35,680**
EXPENDITURES					
Current:					
Economic Development and Regulation	—	—	—	53	—
Education and Cultural Resources	428	—	—	—	—
Natural Resources and Recreation	—	—	—	2	—
Health	—	—	104,545	—	—
Social Services	64,127	—	—	—	—
Protection of Persons and Property	—	47,315	—	53,524	35,833
Transportation	—	—	—	—	—
General Government	—	—	—	—	—
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	—	4,031	—	—	—
Debt Service - Interest and Other Charges	—	2,006	316	—	—
Total Expenditures	**64,555**	**53,352**	**104,861**	**53,579**	**35,833**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(28,839)**	**(31,941)**	**(7,532)**	**5,758**	**(153)**
OTHER FINANCING SOURCES (USES)					
Transfers In	43,892	29,155	9,375	491	794
Capital Leases	—	—	—	—	—
Insurance Recovery Proceeds	16	543	14	1	—
Transfers Out	—	(4,074)	(5,280)	(1,484)	(761)
Total Other Financing Sources (Uses)	**43,908**	**25,624**	**4,109**	**(992)**	**33**
Net Change in Fund Balances	**15,069**	**(6,317)**	**(3,423)**	**4,766**	**(120)**
Fund Balances, October 1, 2019, as Restated	170,745	38,616	51,400	65,049	1,727
Increase (Decrease) in Inventory	—	—	—	—	—
Fund Balances, September 30, 2020	**$ 185,814**	**$ 32,299**	**$ 47,977**	**$ 69,815**	**$ 1,607**

Rehabilitation Services	Children First Trust	Forever Wild Trust	Fair Trial Tax Fund	Alabama Capital Improvement Trust	County and Municipal Capital Improvement	Revenue Administrative Fund	Rebuild Alabama Fund
$ 0	$ 0	$ 0	$ 9,855	$ 0	$ 0	$ 157,031	$ 127,058
—	—	219	231	—	—	13,752	—
675	—	—	—	—	—	—	—
—	—	200	—	17	39,038	—	—
78,310	—	—	—	—	—	—	12,840
2,367	438	2	3,597	—	—	7,315	2,518
81,352	**438**	**421**	**13,683**	**17**	**39,038**	**178,098**	**142,416**
—	—	—	—	—	—	—	—
10,363	—	—	—	—	—	—	—
—	—	20,919	—	—	—	—	—
—	5,322	—	—	—	—	—	—
96,122	17,246	—	—	—	—	—	—
—	7,168	—	—	—	—	—	—
—	—	—	—	—	—	—	35,689
—	4,647	—	75,452	1	1,638	139,121	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
106,485	**34,383**	**20,919**	**75,452**	**1**	**1,638**	**139,121**	**35,689**
(25,133)	**(33,945)**	**(20,498)**	**(61,769)**	**16**	**37,400**	**38,977**	**106,727**
35,285	50,456	15,000	69,704	23,069	2,969	6,121	—
—	—	—	—	—	—	—	—
22	—	—	—	—	—	—	—
(3,898)	(12,980)	(6,018)	(1,206)	(24,206)	(24,372)	(73,032)	—
31,409	**37,476**	**8,982**	**68,498**	**(1,137)**	**(21,403)**	**(66,911)**	**—**
6,276	**3,531**	**(11,516)**	**6,729**	**(1,121)**	**15,997**	**(27,934)**	**106,727**
14,962	22,448	32,639	5,579	4,643	507,212	39,375	10,983
7	—	—	—	—	—	(39)	—
$ 21,245	**$ 25,979**	**$ 21,123**	**$ 12,308**	**$ 3,522**	**$ 523,209**	**$ 11,402**	**$ 117,710**

Continued on next page...

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Special Revenue Funds *Continued from previous page*

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Unclaimed Property Reserve Fund	Commerce	Law Enforcement	General Fund Budget Reserve Fund	Administrative Office of Courts
REVENUES					
Taxes	$ 0	$ 0	$ 1,531	$ 0	$ 0
Licenses, Permits, and Fees	—	87	45,429	—	316,286
Fines, Forfeits, and Court Settlements	—	—	4,938	—	—
Investment Income	—	—	—	—	—
Federal Grants and Reimbursements	—	51,209	15,456	—	213
Other Revenues	55,050	71,768	7,845	—	15,919
Total Revenues	**55,050**	**123,064**	**75,199**	**0**	**332,418**
EXPENDITURES					
Current:					
Economic Development and Regulation	—	45,179	—	—	—
Education and Cultural Resources	—	59,210	—	—	—
Natural Resources and Recreation	—	—	—	—	—
Health	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	199,071	—	—
Transportation	—	—	—	—	—
General Government	—	139	—	—	326,838
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	—	—	—	—	—
Debt Service - Interest and Other Charges	—	—	—	—	—
Total Expenditures	**0**	**104,528**	**199,071**	**0**	**326,838**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**55,050**	**18,536**	**(123,872)**	**—**	**5,580**
OTHER FINANCING SOURCES (USES)					
Transfers In	—	275	117,650	5,000	2,238
Capital Leases	—	—	—	—	—
Insurance Recovery Proceeds	—	—	234	—	22
Transfers Out	(55,000)	(11,165)	(923)	—	(250)
Total Other Financing Sources (Uses)	**(55,000)**	**(10,890)**	**116,961**	**5,000**	**2,010**
Net Change in Fund Balances	**50**	**7,646**	**(6,911)**	**5,000**	**7,590**
Fund Balances, October 1, 2019, as Restated	—	74,385	51757	—	79143
Increase (Decrease) in Inventory	—	—	—	—	—
Fund Balances, September 30, 2020	**$ 50**	**$ 82,031**	**$ 44,846**	**$ 5,000**	**$ 86,733**

Miscellaneous Special Revenue Funds	Total
$ 57,949	$ 1,673,139
268,950	984,845
59,888	184,361
11,580	55,886
177,148	2,291,540
107,606	504,204
683,121	**5,693,975**
109,176	156,357
101,552	1,623,346
18,096	195,553
2,312	2,021,852
159,878	463,855
274,021	637,234
37,181	348,878
103,763	1,072,961
2,161	2,161
172	4,963
27	3,258
808,339	**6,530,418**
(125,218)	**(836,443)**
263,427	2,789,185
1,148	1,148
289	1,580
(140,770)	(1,329,816)
124,094	**1,462,097**
(1,124)	**625,654**
562,400	2,567,387
7	(259)
$ 561,283	**$ 3,192,782**

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

Nonmajor Debt Service Funds

Nonmajor Debt Service Funds account for financial resources that are restricted, committed or assigned to expenditure for the payment of general governmental debt principal and interest.

Public School and College Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State educational facilities.

General Obligation Bond Debt Service
Accounts for resources used to pay the interest and principal on general obligation debt issued by the State.

Twenty-first Century Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing incentive grants to major industries locating or expanding within the State.

Incentives Financing Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State worker training facilities.

Industrial Development Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of making industrial development grants to local governments.

Federal Aid Highway Finance Authority
Accounts for resources used to pay interest and principal on debt issued to finance road and bridge construction.

Public Health Care Authority Debt Service
Accounts for resources used to pay interest and principal on debt issued to finance public health facilities.

Mental Health Finance Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State mental health facilities.

Judicial Building Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction of facilities used by the unified judicial system.

Highway Finance Corporation
Accounts for resources used to pay interest and principal on debt issued by the Corporation for the purpose of financing State roads and bridge projects.

Economic Settlement Authority
Accounts for resources used to pay the interest and principal on debt issued by the Authority for the purposes of Alabama Trust Fund repayment, additional funding of the Medicaid Agency, and transportation projects.

Other Debt Service
Accounts for resources used to pay the interest and principal on all other debt issued by the State.

COMBINING BALANCE SHEET

Nonmajor Debt Service Funds

September 30, 2020

(Amounts in Thousands)

	Public School & College Authority	General Obligation Bonds	Twenty-first Century Authority	Incentives Financing Authority	Industrial Development Authority
ASSETS					
Cash and Cash Equivalents	$ 354	$ 500	$ 16,026	$ 22,950	$ 87
Investments	188,050	—	—	—	—
Taxes Receivable	4,398	—	—	—	—
TOTAL ASSETS	**$ 192,802**	**$ 500**	**$ 16,026**	**$ 22,950**	**$ 87**
Fund Balances					
Restricted for:					
Debt Service	$ 192,802	$ 500	$ 16,026	$ 22,950	$ 87
Total Fund Balances	**192,802**	**500**	**16,026**	**22,950**	**87**
TOTAL LIABILITIES AND FUND BALANCES	**$ 192,802**	**$ 500**	**$ 16,026**	**$ 22,950**	**$ 87**

Federal Aid Highway Finance Authority	Public Health Care Authority	Mental Health Finance Authority	Highway Finance Corporation	Economic Settlement Authority	Other Debt Service Funds	Totals
$ 0	$ 0	$ 1,549	$ 10,780	$ 10,697	$ 0	$ 62,943
—	1,073	—	—	—	—	189,123
—	—	150	—	—	—	4,548
$ 0	**$ 1,073**	**$ 1,699**	$ 10,780	**$ 10,697**	$ 0	**$ 256,614**
$ —	$ 1,073	$ 1,699	$ 10,780	$ 10,697	$ —	$ 256,614
0	**1,073**	**1,699**	**10,780**	**10,697**	**0**	**256,614**
$ 0	**$ 1,073**	**$ 1,699**	**$ 10,780**	**$ 10,697**	**$ 0**	**$ 256,614**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Debt Service Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Public School & College Authority	General Obligation Bonds	Twenty-first Century Authority	Incentives Financing Authority	Industrial Development Authority
REVENUES					
Taxes	$ 140,048	$ 0	$ 0	$ 0	$ 0
Investment Income	5,940	—	71	144	—
Federal Grants and Reimbursements	4,546	—	—	—	—
Other Revenues	23,499	—	—	—	—
Total Revenues	**174,033**	**0**	**71**	**144**	**0**
EXPENDITURES					
Current:					
Debt Service - Principal Retirement	134,840	66,455	14,465	7,555	—
Debt Service - Interest and Other Charges	63,195	29,014	1,485	8,875	—
Total Expenditures	**198,035**	**95,469**	**15,950**	**16,430**	**0**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(24,002)**	**(95,469)**	**(15,879)**	**(16,286)**	**0**
OTHER FINANCING SOURCES (USES)					
Transfers In	45,974	95,469	15,387	16,430	—
Transfers Out	—	—	—	(128)	—
Total Other Financing Sources (Uses)	**45,974**	**95,469**	**15,387**	**16,302**	**0**
Net Change in Fund Balances	**21,972**	**0**	**(492)**	**16**	**0**
Fund Balances, October 1, 2019, as Restated	170,830	500	16,518	22,934	87
Fund Balances, September 30, 2020	**$ 192,802**	**$ 500**	**$ 16,026**	**$ 22,950**	**$ 87**

Federal Aid Highway Finance Authority	Public Health Care Authority	Mental Health Finance Authority	Highway Finance Corporation	Economic Settlement Authority	Other Debt Service Funds	Totals
$ 0	$ 0	$ 1,710	$ 0	$ 0	$ 1,828	$ 143,586
—	226	—	—	102	—	6,483
—	—	—	—	—	—	4,546
—	—	—	—	—	—	23,499
0	**226**	**1,710**	**0**	**102**	**1,828**	**178,114**
49,735	1,630	1,945	3,690	32,000	1,120	313,435
64,104	3,184	171	127	21,838	708	192,701
113,839	**4,814**	**2,116**	**3,817**	**53,838**	**1,828**	**506,136**
(113,839)	**(4,588)**	**(406)**	**(3,817)**	**(53,736)**	**0**	**(328,022)**
113,839	4,897	2,116	14,597	53,332	—	362,041
—	—	(2,116)	—	—	—	(2,244)
113,839	**4,897**	**—**	**14,597**	**53,332**	**0**	**359,797**
—	**309**	**(406)**	**10,780**	**(404)**	**0**	**31,775**
—	764	2,105	—	11,101	—	224,839
$ 0	**$ 1,073**	**$ 1,699**	**$ 10,780**	**$ 10,697**	**$ 0**	**$ 256,614**

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

Nonmajor Capital Project Funds

Nonmajor Capital Project Funds account for financial resources restricted, committed or assigned to expenditure for the acquisition, construction, and improvement of major general governmental capital assets.

General Obligation Bond Projects
Accounts for the proceeds of general obligation debt issued by the State for a wide variety of construction projects involving waterways, parks, roads, prisons, mental hospitals, research labs, and other buildings.

Public Health Care Authority Capital Projects
Accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction of public health facilities.

Mental Health Finance Authority
Accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State mental health facilities.

Federal Aid Highway Finance Authority
Accounts for the proceeds of debt issued by the Authority for the purpose of financing improvements to the State's roads and bridges.

Highway Finance Corporation
Accounts for the proceeds of debt issued by the Corporation for the purpose of funding improvements to the State's roads and bridges.

Other Capital Projects
Accounts for the proceeds of all other debt issued by the State to fund capital projects.

COMBINING BALANCE SHEET

Nonmajor Capital Projects Funds

September 30, 2020

(Amounts in Thousands)

	General Obligation Bond Projects	Public Health Care Authority	Mental Health Finance Authority
ASSETS			
Cash and Cash Equivalents	$ 50,235	$ 18,741	$ 6,573
Investments	—	—	—
Due From Component Units	—	—	42,098
TOTAL ASSETS	**$ 50,235**	**$ 18,741**	**$ 48,671**
LIABILITIES AND FUND BALANCES			
Liabilities			
Warrants Payable	36	—	—
Accounts Payable	76	1,376	—
Total Liabilities	**112**	**1,376**	**0**
Deferred Inflows Of Resources	**0**	**0**	**19,065**
Fund Balances			
Restricted for:			
Capital Projects	50,123	17,365	29,606
Total Fund Balances	**50,123**	**17,365**	**29,606**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 50,235**	**$ 18,741**	**$ 48,671**

Federal Aid Highway Finance Authority	Highway Finance Corporation	Other Capital Project Funds	Total
$ 0	$ 0	$ 3	$ 75,552
42,581	156,595	—	199,176
—	—	—	42,098
$ 42,581	**$ 156,595**	**$ 3**	**$ 316,826**
—	—	—	36
—	4	—	1,456
0	**4**	**0**	**1,492**
0	**0**	**0**	**19,065**
42,581	156,591	3	296,269
42,581	**156,591**	**3**	**296,269**
$ 42,581	**$ 156,595**	**$ 3**	**$ 316,826**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Capital Projects Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	General Obligation Bond Projects	Public Health Care Authority	Mental Health Finance Authority
REVENUES			
Investment Income	$ 503	$ 2	$ 357
Other Revenues	—	—	7,642
Total Revenues	**503**	**2**	**7,999**
EXPENDITURES			
Current:			
Capital Outlay	12,802	21,283	2,914
Total Expenditures	**12,802**	**21,283**	**2,914**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(12,299)**	**(21,281)**	**5,085**
OTHER FINANCING SOURCES (USES)			
Transfers In	1,975	8,479	43
Bonds Issued	—	—	—
Debt Issuance Premiums	—	—	—
Insurance Recovery Proceeds	—	—	43
Transfers Out	(2,004)	—	—
Total Other Financing Sources (Uses)	**(29)**	**8,479**	**86**
Net Change in Fund Balances	**(12,328)**	**(12,802)**	**5,171**
Fund Balances, October 1, 2019, as Restated	62,451	30,167	24,435
Fund Balances, September 30, 2020	**$ 50,123**	**$ 17,365**	**$ 29,606**

Federal Aid Highway Finance Authority	Highway Finance Corporation	Other Capital Project Funds	Totals
$ 1,013	$ 92	$ 0	$ 1,967
—	—	—	7,642
1,013	**92**	**0**	**9,609**
—	613	—	37,612
0	**613**	**0**	**37,612**
1,013	**(521)**	**0**	**(28,003)**
—	—	—	10,497
—	118,460	—	118,460
—	32,155	—	32,155
—	—	—	43
(135,770)	(1,222)	—	(138,996)
(135,770)	**149,393**	**0**	**22,159**
(134,757)	**148,872**	**0**	**(5,844)**
177,338	7,719	3	302,113
$ 42,581	**$ 156,591**	**$ 3**	**$ 296,269**

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

Nonmajor Permanent Funds

Nonmajor Permanent Funds report resources that are legally restricted so that only earnings, not principal, may be used for purposes that support the State's governmental programs.

Marine and Game and Fish Endowments
Invests the proceeds of lifetime hunting and fishing licenses and uses the investment income to preserve, protect, propagate, and develop wildlife within the State.

Alabama Research Alliance
Is a trust fund which awards research grants to State universities to promote science and technology.

Senior Services Trust
Invests a portion of the proceeds from the tobacco settlement in order to accumulate money to expand programs benefiting elderly citizens.

Other Permanent Funds
Accounts for several small permanent funds which further educational, health, and social programs.

STATE OF ALABAMA

COMBINING BALANCE SHEET

Nonmajor Permanent Funds

September 30, 2020

(Amounts in Thousands)

	Marine, Game, and Fish Endowment	Alabama Research Alliance	Senior Services Trust	Other Permanent Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 716	$ 88	$ 0	$ 158	$ 962
Investments	30,522	13,178	55,625	15,363	114,688
Accounts Receivable	—	2	292	—	294
Mortgages, Notes, and Loans Receivable	—	—	—	68	68
Securities Lending Collateral	703	—	1,148	—	1,851
TOTAL ASSETS	**$ 31,941**	**$ 13,268**	**$ 57,065**	**$ 15,589**	**$ 117,863**
LIABILITIES AND FUND BALANCES					
Liabilities					
Due To Other Funds	73	—	—	—	73
Accounts Payable	—	112	—	—	112
Securities Lending Obligation	703	—	1,148	—	1,851
Total Liabilities	**776**	**112**	**1,148**	**0**	**2,036**
Fund Balances					
Nonspendable:					
Permanent Fund Principal	31,165	11,500	40,382	14,656	97,703
Restricted for:					
Education and Cultural Resources	—	1,656	—	475	2,131
Health	—	—	—	458	458
Social Services	—	—	15,535	—	15,535
Total Fund Balances	**31,165**	**13,156**	**55,917**	**15,589**	**115,827**
TOTAL LIABILITIES AND FUND BALANCES	**$ 31,941**	**$ 13,268**	**$ 57,065**	**$ 15,589**	**$ 117,863**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Permanent Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Marine, Game, and Fish Endowment	Alabama Research Alliance	Senior Services Trust	Other Permanent Funds	Totals
REVENUES					
Licenses, Permits, and Fees	$ 1,397	$ 0	$ 0	$ 95	$ 1,492
Investment Income	1,239	603	3,709	687	6,238
Other Revenues	—	—	11	—	11
Total Revenues	**2,636**	**603**	**3,720**	**782**	**7,741**
EXPENDITURES					
Current:					
Education and Cultural Resources	—	441	—	—	441
Social Services	—	—	37	—	37
General Government	—	—	—	8	8
Total Expenditures	**0**	**441**	**37**	**8**	**486**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**2,636**	**162**	**3,683**	**774**	**7,255**
OTHER FINANCING SOURCES (USES)					
Transfers In	—	—	3,139	—	3,139
Transfers Out	—	—	(1,151)	(416)	(1,567)
Total Other Financing Sources (Uses)	**0**	**—**	**1,988**	**(416)**	**1,572**
Net Change in Fund Balances	**2,636**	**162**	**5,671**	**358**	**8,827**
Fund Balances, October 1, 2019, as Restated	28,529	12,994	50,246	15,231	107,000
Fund Balances, September 30, 2020	**$ 31,165**	**$ 13,156**	**$ 55,917**	**$ 15,589**	**$ 115,827**

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

Governmental Funds Supplementary Information

Governmental Funds Supplementary Information includes non-GAAP basis schedules demonstrating compliance with the legally adopted budget and summaries of governmental fund revenues in the State Treasury.

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
EXPENDITURES:			
Administrative Office of Courts			
Administrative Services	3,398	3,398	-
Alabama Sentencing Commission	336	336	-
Court Operations	131,517	131,517	-
Courts	-	-	-
Drug Court	2,051	2,051	-
Juvenile Probation Officer Services	12,073	12,073	-
TOTAL Administrative Office of Courts	**149,375**	**149,375**	**-**
Agriculture and Industries			
Administrative Services	5,639	5,601	38
Agribusiness Grant Program	-	-	-
Agricultural Development Services	574	572	2
Agricultural Inspection Services	4,027	3,982	45
Lab Analysis and Disease Control	2,570	2,489	81
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Agriculture and Industries	**12,810**	**12,644**	**166**
Alabama Community College System			
Adult Education: Adult Basic Education	-	-	-
Postsecondary Administration: Postsecondary/Chancellor's	-	-	-
Postsecondary Administration: Science, Technology, Engineering, Art, and Mathematics STEAM	-	-	-
Postsecondary-Prison Education: Prison Education/Operations and Maintenance	-	-	-
Postsecondary-Special Line Items: Alabama Workforce Council Committee on Credentialing Career	-	-	-
Postsecondary-Special Line Items: Automotive Manufacturing Workforce Development Program	-	-	-
Postsecondary-Special Line Items: Automotive Workforce Training Scholarship Program	-	-	-
Postsecondary-Special Line Items: Distance Learning Program	-	-	-
Postsecondary-Special Line Items: Mine Safety	-	-	-
Postsecondary-Special Line Items: Smart Career Workforce Pilot Project	-	-	-
Postsecondary-Special Line Items: Special Populations Training	-	-	-
Postsecondary-Special Line Items: The Women's Fund of Greater Birmingham Pilot Program	-	-	-
Postsecondary-Special Line Items: Volunteer Emergency Medical Services Personnel Certification	-	-	-
Postsecondary-Technical Colleges	-	-	-
Postsecondary-Technical Colleges: Truck Driver Training-Central Alabama Community College	-	-	-
Postsecondary-Two Year Colleges: Alabama Technology Network	-	-	-
Postsecondary-Two Year Colleges: Dual Enrollment	-	-	-
Postsecondary-Two Year Colleges: Industry Certification Initiatives	-	-	-
Postsecondary-Two Year Colleges: Marion Military Institute	-	-	-
Postsecondary-Two Year Colleges: Two Year Colleges/Operations and Maintenance	-	-	-
TOTAL Alabama Community College System	**-**	**-**	**-**
Attorney General			
Fair Marketing Practices: Consumer Protection	1,010	1,009	1
Legal Advice And Legal Service: Attorney General-Operations	11,841	11,753	88
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Attorney General	**12,851**	**12,762**	**89**
Auditor			
Fiscal Management	968	811	157
TOTAL Auditor	**968**	**811**	**157**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	3,398	3,398	-
-	-	-	-	-	-	336	336	-
-	-	-	42,362	32,060	10,302	173,879	163,577	10,302
-	-	-	1,506	1,485	21	1,506	1,485	21
-	-	-	-	-	-	2,051	2,051	-
750	750	-	4,647	4,647	-	17,470	17,470	-
750	**750**	**-**	**48,515**	**38,192**	**10,323**	**198,640**	**188,317**	**10,323**
-	-	-	8,033	4,645	3,388	13,672	10,246	3,426
-	-	-	26,000	-	26,000	26,000	-	26,000
-	-	-	7,190	2,329	4,861	7,764	2,901	4,863
-	-	-	17,187	13,674	3,513	21,214	17,656	3,558
-	-	-	10,948	7,787	3,161	13,518	10,276	3,242
-	-	-	423	423	-	423	423	-
-	-	-	32	32	-	32	32	-
-	**-**	**-**	**69,813**	**28,890**	**40,923**	**82,623**	**41,534**	**41,089**
13,472	13,472	-	-	-	-	13,472	13,472	-
12,082	12,082	-	23,293	23,293	-	35,375	35,375	-
450	450	-	-	-	-	450	450	-
12,534	12,534	-	-	-	-	12,534	12,534	-
1,000	1,000	-	-	-	-	1,000	1,000	-
263	263	-	-	-	-	263	263	-
210	210	-	-	-	-	210	210	-
3,375	3,375	-	-	-	-	3,375	3,375	-
1,300	1,300	-	-	-	-	1,300	1,300	-
200	200	-	-	-	-	200	200	-
4,725	4,725	-	-	-	-	4,725	4,725	-
300	300	-	-	-	-	300	300	-
125	125	-	-	-	-	125	125	-
-	-	-	2,000	999	1,001	2,000	999	1,001
241	241	-	-	-	-	241	241	-
5,449	5,449	-	-	-	-	5,449	5,449	-
13,865	13,865	-	-	-	-	13,865	13,865	-
7,161	7,161	-	-	-	-	7,161	7,161	-
8,994	8,994	-	-	-	-	8,994	8,994	-
331,724	331,724	-	-	-	-	331,724	331,724	-
417,470	**417,470**	**-**	**25,293**	**24,292**	**1,001**	**442,763**	**441,762**	**1,001**
-	-	-	1,641	515	1,126	2,651	1,524	1,127
-	-	-	14,374	8,495	5,879	26,215	20,248	5,967
-	-	-	145	145	-	145	145	-
-	-	-	1	1	-	1	1	-
-	**-**	**-**	**16,161**	**9,156**	**7,005**	**29,012**	**21,918**	**7,094**
-	-	-	-	-	-	968	811	157
-	**-**	**-**	**-**	**-**	**-**	**968**	**811**	**157**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Commission on Higher Education			
Deferred Maintenance Program	-	-	-
Planning and Coordination Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Student Financial Aid	-	-	-
Support - Other Educational Activities	-	-	-
Support of State Programs	-	-	-
Support of State Universities	-	-	-
TOTAL Commission on Higher Education	**-**	**-**	**-**
Corrections			
Administration Service and Logistical Support	29,474	28,392	1,082
Correctional Industries	-	-	-
Corrections	-	-	-
Institutional Service Corrections	499,391	458,752	40,639
TOTAL Corrections	**528,865**	**487,144**	**41,721**
Economic and Community Affairs			
Administrative Support Service	5,019	3,619	1,400
Broadband Voucher Program	-	-	-
Energy Management	11,341	1,130	10,211
Law Enforcement Planning and Development	829	828	1
Planning	7,704	7,030	674
State Agencies	-	-	-
State Equipment	-	-	-
Surplus Property	541	541	-
Water Resources	2,378	2,003	375
TOTAL Economic and Community Affairs	**27,812**	**15,151**	**12,661**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	4,000	4,000	-	4,000	4,000	-
3,598	3,202	396	736	182	554	4,334	3,384	950
-	-	-	1	1	-	1	1	-
-	-	-	15	15	-	15	15	-
17,114	16,573	541	725	195	530	17,839	16,768	1,071
2,553	2,481	72	-	-	-	2,553	2,481	72
7,353	7,353	-	-	-	-	7,353	7,353	-
5,516	5,516	-	-	-	-	5,516	5,516	-
36,134	**35,125**	**1,009**	**5,477**	**4,393**	**1,084**	**41,611**	**39,518**	**2,093**
-	-	-	-	-	-	29,474	28,392	1,082
-	-	-	26,033	14,941	11,092	26,033	14,941	11,092
-	-	-	22,400	22,400	-	22,400	22,400	-
-	-	-	54,846	43,016	11,830	554,237	501,768	52,469
-	**-**	**-**	**103,279**	**80,357**	**22,922**	**632,144**	**567,501**	**64,643**
1,000	882	118	11,508	10,119	1,389	17,527	14,620	2,907
-	-	-	103,408	254	103,154	103,408	254	103,154
-	-	-	111,335	69,922	41,413	122,676	71,052	51,624
-	-	-	117,559	59,651	57,908	118,388	60,479	57,909
-	-	-	80,753	71,698	9,055	88,457	78,728	9,729
-	-	-	92	92	-	92	92	-
-	-	-	1	1	-	1	1	-
-	-	-	2,644	2,071	573	3,185	2,612	573
-	-	-	7,551	5,928	1,623	9,929	7,931	1,998
1,000	**882**	**118**	**434,851**	**219,736**	**215,115**	**463,663**	**235,769**	**227,894**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Education			
Administrative Services	-	-	-
Alabama Science in Motion	-	-	-
American Village	-	-	-
At-Risk Student Program	-	-	-
Board of Adjustment	-	-	-
Career Tech Operations and Maintenance	-	-	-
Disability Determination for Social Security	-	-	-
Education Health and Wellness	-	-	-
Educational Remote Learning Devices	-	-	-
Endowment Interest Program-Public School Fund	-	-	-
Financial Assistance	-	-	-
Foundation Program	-	-	-
Future Teachers of Alabama	-	-	-
Gifted Students Program	-	-	-
Information Technology Services	-	-	-
Kindervision	-	-	-
Liability Insurance Program	-	-	-
Library Enhancement Fund	-	-	-
Reading is Fundamental Program	-	-	-
School Nurses Program	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Transportation Program	-	-	-
TOTAL Education	**-**	**-**	**-**
Emergency Management Agency			
Readiness And Recovery	-	-	-
Readiness And Recovery: Administration	5,442	5,431	11
Readiness And Recovery: Federal Emergency Management Agency - Match	4,168	4,168	-
State Agencies	-	-	-
TOTAL Emergency Management Agency	**9,610**	**9,599**	**11**
Examiners of Public Accounts			
Legislative Support - Audit Service	8,510	8,510	-
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Examiners of Public Accounts	**8,510**	**8,510**	**-**
Finance			
Administrative Support Service	-	-	-
Administrative Support Service: Alabama Building Renovation Finance Authority	-	-	-
Administrative Support Service: Capitol Complex Maintenance and Repair	-	-	-
Administrative Support Service: Space Management	377	-	377
Fiscal Management	-	-	-
Fiscal Management: Budget Office	1,745	889	856
Fiscal Management: Debt Management	-	-	-
Fiscal Management: Director's Office	703	235	468
State Agencies	-	-	-
State Capitol Program: Capitol	2,832	2,247	585
State Equipment	-	-	-
TOTAL Finance	**5,657**	**3,371**	**2,286**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
195,181	183,863	11,318	62,130	18,410	43,720	257,311	202,273	55,038
-	-	-	3,114	2,780	334	3,114	2,780	334
250	250	-	-	-	-	250	250	-
19,518	19,518	-	-	-	-	19,518	19,518	-
751	260	491	-	-	-	751	260	491
5,000	4,998	2	-	-	-	5,000	4,998	2
-	-	-	102,962	52,974	49,988	102,962	52,974	49,988
-	-	-	70,000	2,413	67,587	70,000	2,413	67,587
-	-	-	100,000	23,665	76,335	100,000	23,665	76,335
-	-	-	533	533	-	533	533	-
56,413	49,767	6,646	1,762,790	1,100,761	662,029	1,819,203	1,150,528	668,675
3,947,539	3,947,340	199	195,010	195,010	-	4,142,549	4,142,350	199
250	12	238	-	-	-	250	12	238
3,750	3,706	44	-	-	-	3,750	3,706	44
8,776	8,776	-	-	-	-	8,776	8,776	-
100	100	-	-	-	-	100	100	-
8,441	8,441	-	-	-	-	8,441	8,441	-
6,000	5,958	42	-	-	-	6,000	5,958	42
30	30	-	-	-	-	30	30	-
32,993	32,993	-	-	-	-	32,993	32,993	-
-	-	-	2,040	2,040	-	2,040	2,040	-
-	-	-	224	224	-	224	224	-
375,781	375,781	-	-	-	-	375,781	375,781	-
4,660,773	**4,641,793**	**18,980**	**2,298,803**	**1,398,810**	**899,993**	**6,959,576**	**6,040,603**	**918,973**
-	-	-	51,108	38,176	12,932	51,108	38,176	12,932
-	-	-	-	-	-	5,442	5,431	11
-	-	-	-	-	-	4,168	4,168	-
-	-	-	44,505	28,090	16,415	44,505	28,090	16,415
-	**-**	**-**	**95,613**	**66,266**	**29,347**	**105,223**	**75,865**	**29,358**
8,496	8,496	-	3,275	1,813	1,462	20,281	18,819	1,462
-	-	-	12	12	-	12	12	-
-	-	-	7	7	-	7	7	-
8,496	**8,496**	**-**	**3,294**	**1,832**	**1,462**	**20,300**	**18,838**	**1,462**
-	-	-	66,088	38,415	27,673	66,088	38,415	27,673
-	-	-	27,621	14,389	13,232	27,621	14,389	13,232
-	-	-	9,888	4,682	5,206	9,888	4,682	5,206
-	-	-	-	-	-	377	-	377
-	-	-	18,799	13,953	4,846	18,799	13,953	4,846
250	247	3	-	-	-	1,995	1,136	859
200	170	30	-	-	-	200	170	30
-	-	-	-	-	-	703	235	468
-	-	-	1,191	1,191	-	1,191	1,191	-
-	-	-	-	-	-	2,832	2,247	585
-	-	-	119	119	-	119	119	-
450	**417**	**33**	**123,706**	**72,749**	**50,957**	**129,813**	**76,537**	**53,276**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Governor			
Criminal Investigation: Law Enforcement Fund	10	-	10
Executive Direction: Governor's BP Oil Spill	-	-	-
Executive Direction: Governor's Office	5,172	4,675	497
Executive Direction: Governor's Office of Education and Workforce Transformation	423	99	324
Executive Direction: Governor's Proclamation Expense	737	96	641
Executive Direction: National Governor's Conference	150	150	-
State Agencies	-	-	-
TOTAL Governor	**6,492**	**5,020**	**1,472**
Human Resources			
Human Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Human Resources	**-**	**-**	**-**
Labor			
Administrative Services	346	97	249
Employment Security	-	-	-
Industrial Safety and Accident Prevention	1,003	721	282
Regulation Workers Compensation	-	-	-
Regulatory Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Labor	**1,349**	**818**	**531**
Law Enforcement Agency			
Administrative Bureau	-	-	-
Department of Public Safety	-	-	-
Information Bureau	-	-	-
Readiness And Recovery	-	-	-
State Agencies	-	-	-
State Bureau of Investigation	-	-	-
TOTAL Law Enforcement Agency	**-**	**-**	**-**
Legislature			
Commission to Reduce Poverty	7	-	7
Legislative Operations and Support	26,016	22,066	3,950
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Legislature	**26,023**	**22,066**	**3,957**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	10	-	10
-	-	-	656	-	656	656	-	656
-	-	-	-	-	-	5,172	4,675	497
-	-	-	-	-	-	423	99	324
-	-	-	-	-	-	737	96	641
-	-	-	-	-	-	150	150	-
-	-	-	25	25	-	25	25	-
-	**-**	**-**	**681**	**25**	**656**	**7,173**	**5,045**	**2,128**
-	-	-	2,425,635	2,295,700	129,935	2,425,635	2,295,700	129,935
-	-	-	4,274	4,274	-	4,274	4,274	-
-	-	-	251	251	-	251	251	-
-	**-**	**-**	**2,430,160**	**2,300,225**	**129,935**	**2,430,160**	**2,300,225**	**129,935**
-	-	-	23,838	13,020	10,818	24,184	13,117	11,067
-	-	-	88,673	61,956	26,717	88,673	61,956	26,717
-	-	-	35,132	8,160	26,972	36,135	8,881	27,254
-	-	-	5,953	4,418	1,535	5,953	4,418	1,535
-	-	-	2,798	1,504	1,294	2,798	1,504	1,294
-	-	-	9,400	9,400	-	9,400	9,400	-
-	-	-	89	89	-	89	89	-
-	**-**	**-**	**165,883**	**98,547**	**67,336**	**167,232**	**99,365**	**67,867**
-	-	-	17,655	14,579	3,076	17,655	14,579	3,076
-	-	-	94,562	77,444	17,118	94,562	77,444	17,118
-	-	-	98,006	75,431	22,575	98,006	75,431	22,575
-	-	-	113	-	113	113	-	113
-	-	-	3,216	3,216	-	3,216	3,216	-
-	-	-	38,831	34,830	4,001	38,831	34,830	4,001
-	**-**	**-**	**252,383**	**205,500**	**46,883**	**252,383**	**205,500**	**46,883**
-	-	-	-	-	-	7	-	7
3,205	1,942	1,263	-	-	-	29,221	24,008	5,213
-	-	-	98	98	-	98	98	-
-	-	-	424	424	-	424	424	-
3,205	**1,942**	**1,263**	**522**	**522**	**-**	**29,750**	**24,530**	**5,220**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Medicaid Agency			
Medical Assistance Through Medicaid: Administrative Cost	22,343	21,210	1,133
Medical Assistance Through Medicaid: Alabama Coordinated Health Networks (ACHN)	5,500	1,941	3,559
Medical Assistance Through Medicaid: Alternative Care	28,438	25,919	2,519
Medical Assistance Through Medicaid: Family Planning	2,400	-	2,400
Medical Assistance Through Medicaid: Health Support	34,366	29,934	4,432
Medical Assistance Through Medicaid: Hospital Care	57,000	47,072	9,928
Medical Assistance Through Medicaid: Integrated Care Network (ICN)	-	-	-
Medical Assistance Through Medicaid: Medicaid-Children's Health Insurance Program	500	452	48
Medical Assistance Through Medicaid: Mental Health - Facilities	-	-	-
Medical Assistance Through Medicaid: Mental Health - Waivers	-	-	-
Medical Assistance Through Medicaid: Mental Health-Others Health Insurance	-	-	-
Medical Assistance Through Medicaid: Nursing Home Care	161,076	149,633	11,443
Medical Assistance Through Medicaid: Pharmaceutical	242,650	239,243	3,407
Medical Assistance Through Medicaid: Physician Care	102,032	100,698	1,334
Medical Assistance Through Medicaid: Premiums	112,764	102,762	10,002
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Medicaid Agency	**769,069**	**718,864**	**50,205**
Mental Health			
Administrative Services	-	-	-
Institutional Treatment and Care of Intellectually Disabled	-	-	-
Institutional Treatment and Care of Mentally Ill	-	-	-
Mental Health Provider Program	-	-	-
Special Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Substance Abuse Program	-	-	-
TOTAL Mental Health	**-**	**-**	**-**
Public Health			
Administrative Services	11,896	10,793	1,103
Alabama Medical Education Consortium Program	-	-	-
Children's Health Insurance	-	-	-
Emergency Medical Service Education	-	-	-
Family Practice Rural Health	-	-	-
Health Department	-	-	-
Office of Emergency Medical Services	-	-	-
Public Health Services	24,505	21,285	3,220
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Public Health	**36,401**	**32,078**	**4,323**
Public Service Commission			
Regulatory Services	-	-	-
State Agencies	-	-	-
TOTAL Public Service Commission	**-**	**-**	**-**
Rehabilitation Services			
Direct Client Services-Handicap	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Rehabilitation Services	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	299,615	208,764	90,851	321,958	229,974	91,984
-	-	-	42,176	40,508	1,668	47,676	42,449	5,227
-	-	-	356,057	307,611	48,446	384,495	333,530	50,965
-	-	-	42,609	34,200	8,409	45,009	34,200	10,809
-	-	-	309,222	263,052	46,170	343,588	292,986	50,602
-	-	-	2,807,482	2,560,989	246,493	2,864,482	2,608,061	256,421
-	-	-	42,406	34,621	7,785	42,406	34,621	7,785
-	-	-	174,646	164,963	9,683	175,146	165,415	9,731
-	-	-	2,365	2,294	71	2,365	2,294	71
-	-	-	410,860	375,345	35,515	410,860	375,345	35,515
-	-	-	175,875	131,715	44,160	175,875	131,715	44,160
-	-	-	905,281	875,966	29,315	1,066,357	1,025,599	40,758
-	-	-	614,666	603,428	11,238	857,316	842,671	14,645
-	-	-	513,137	502,737	10,400	615,169	603,435	11,734
-	-	-	387,131	337,527	49,604	499,895	440,289	59,606
-	-	-	1,173	423	750	1,173	423	750
-	-	-	65	65	-	65	65	-
-	**-**	**-**	**7,084,766**	**6,444,208**	**640,558**	**7,853,835**	**7,163,072**	**690,763**
-	-	-	35,911	25,647	10,264	35,911	25,647	10,264
-	-	-	639,847	514,393	125,454	639,847	514,393	125,454
-	-	-	418,463	350,490	67,973	418,463	350,490	67,973
-	-	-	7,000	1,065	5,935	7,000	1,065	5,935
-	-	-	49,581	19,885	29,696	49,581	19,885	29,696
-	-	-	18,758	18,736	22	18,758	18,736	22
-	-	-	161	161	-	161	161	-
-	-	-	111,254	72,654	38,600	111,254	72,654	38,600
-	**-**	**-**	**1,280,975**	**1,003,031**	**277,944**	**1,280,975**	**1,003,031**	**277,944**
896	573	323	28,410	25,708	2,702	41,202	37,074	4,128
385	385	-	-	-	-	385	385	-
-	-	-	304,883	255,687	49,196	304,883	255,687	49,196
1,636	1,620	16	-	-	-	1,636	1,620	16
2,659	2,561	98	-	-	-	2,659	2,561	98
-	-	-	5,000	5,000	-	5,000	5,000	-
1,000	-	1,000	-	-	-	1,000	-	1,000
12,634	12,255	379	553,142	386,583	166,559	590,281	420,123	170,158
-	-	-	31,053	31,051	2	31,053	31,051	2
-	-	-	584	583	1	584	583	1
19,210	**17,394**	**1,816**	**923,072**	**704,612**	**218,460**	**978,683**	**754,084**	**224,599**
-	-	-	25,705	18,442	7,263	25,705	18,442	7,263
-	-	-	107	107	-	107	107	-
-	**-**	**-**	**25,812**	**18,549**	**7,263**	**25,812**	**18,549**	**7,263**
48,227	48,221	6	155,631	117,129	38,502	203,858	165,350	38,508
-	-	-	1,487	1,487	-	1,487	1,487	-
-	-	-	441	441	-	441	441	-
48,227	**48,221**	**6**	**157,559**	**119,057**	**38,502**	**205,786**	**167,278**	**38,508**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Revenue			
State Agencies	-	-	-
State Equipment	-	-	-
State Revenue Administration	113	40	73
TOTAL Revenue	**113**	**40**	**73**
Secretary of State			
Administrative Support Service	-	-	-
Administrative Support Service: Distribution of Public Documents	209	187	22
Administrative Support Service: Printing of Acts/Journals	51	8	43
Administrative Support Service: Printing of Codes	677	41	636
Special Services: Photo Voter Identification	904	843	61
Special Services: Training of Elected Officials	88	36	52
TOTAL Secretary of State	**1,929**	**1,115**	**814**
Transportation			
Electric Transportation Infrastructure Grant Program	-	-	-
General Administration	-	-	-
General Aviation and Aeronautics	-	-	-
Rebuild Alabama	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Surface Transportation Improvements	-	-	-
TOTAL Transportation	**-**	**-**	**-**
Treasurer			
Fiscal Management	-	-	-
State Agencies	-	-	-
TOTAL Treasurer	**-**	**-**	**-**
Youth Services			
Community Educational Programs	-	-	-
Diversion Programs	-	-	-
Financial Assistance	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Youth Services	-	-	-
TOTAL Youth Services	**-**	**-**	**-**
Universities and Training Institutes			
Alabama Agricultural and Mechanical University			
Support of State Universities: Agriculture Research Station Fixed Costs	-	-	-
Support of State Universities: Alabama A&M Agricultural Research Extension State Match	-	-	-
Support of State Universities: Alabama A&M:Miles College	-	-	-
Support of State Universities: Alabama A&M-Operations and Maintenance	-	-	-
Support of State Universities: Urban Affairs and Non-Traditional Program	-	-	-
Support of State Universities: Virginia Caples Learning Living Institute	-	-	-
Total Alabama Agricultural and Mechanical University	**-**	**-**	**-**
Alabama Institute for the Deaf and Blind			
Alabama Institute for the Deaf and Blind- Children and Youth	-	-	-
Total Alabama Institute for the Deaf and Blind	**-**	**-**	**-**
Alabama Institute for the Deaf and Blind - Adult Program			
Alabama Institute for the Deaf and Blind- Adult Programs	-	-	-
Total Alabama Institute for the Deaf and Blind - Adult Program	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	1,457	1,457	-	1,457	1,457	-
-	-	-	661	661	-	661	661	-
-	-	-	225,887	213,171	12,716	226,000	213,211	12,789
-	**-**	**-**	**228,005**	**215,289**	**12,716**	**228,118**	**215,329**	**12,789**
-	-	-	22,597	10,615	11,982	22,597	10,615	11,982
-	-	-	-	-	-	209	187	22
-	-	-	-	-	-	51	8	43
-	-	-	-	-	-	677	41	636
-	-	-	-	-	-	904	843	61
-	-	-	-	-	-	88	36	52
-	**-**	**-**	**22,597**	**10,615**	**11,982**	**24,526**	**11,730**	**12,796**
-	-	-	71	-	71	71	-	71
-	-	-	172,193	164,490	7,703	172,193	164,490	7,703
-	-	-	95,725	37,283	58,442	95,725	37,283	58,442
-	-	-	161,616	31,294	130,322	161,616	31,294	130,322
-	-	-	15,724	15,722	2	15,724	15,722	2
-	-	-	186	186	-	186	186	-
-	-	-	2,440,521	1,532,339	908,182	2,440,521	1,532,339	908,182
-	**-**	**-**	**2,886,036**	**1,781,314**	**1,104,722**	**2,886,036**	**1,781,314**	**1,104,722**
-	-	-	5,216	4,015	1,201	5,216	4,015	1,201
-	-	-	88	88	-	88	88	-
-	**-**	**-**	**5,304**	**4,103**	**1,201**	**5,304**	**4,103**	**1,201**
-	-	-	3,566	3,566	-	3,566	3,566	-
-	-	-	1,000	613	387	1,000	613	387
-	-	-	8,583	5,782	2,801	8,583	5,782	2,801
-	-	-	993	993	-	993	993	-
-	-	-	24	24	-	24	24	-
-	-	-	93,578	68,033	25,545	93,578	68,033	25,545
-	**-**	**-**	**107,744**	**79,011**	**28,733**	**107,744**	**79,011**	**28,733**
432	432	-	-	-	-	432	432	-
1,226	1,226	-	-	-	-	1,226	1,226	-
418	418	-	-	-	-	418	418	-
36,937	36,937	-	1,438	1,438	-	38,375	38,375	-
3,748	3,748	-	-	-	-	3,748	3,748	-
100	100	-	-	-	-	100	100	-
42,861	**42,861**	**-**	**1,438**	**1,438**	**-**	**44,299**	**44,299**	**-**
36,205	36,205	-	-	-	-	36,205	36,205	-
36,205	**36,205**	**-**	**-**	**-**	**-**	**36,205**	**36,205**	**-**
20,322	20,322	-	-	-	-	20,322	20,322	-
20,322	**20,322**	**-**	**-**	**-**	**-**	**20,322**	**20,322**	**-**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Alabama Institute for the Deaf and Blind - Industries			
Alabama Institute for the Deaf and Blind- Industries for the	-	-	-
Total Alabama Institute for the Deaf and Blind - Industries	-	-	-
Alabama State University			
Support of State Universities: Alabama State University-Operations and Maintenance	-	-	-
Total Alabama State University	-	-	-
Athens State University			
Support of State Universities: Athens State University	-	-	-
Total Athens State University	-	-	-
Auburn University - Agricultural Experiment Station			
Support of State Universities: Auburn/Agriculture Experiment Station	-	-	-
Total Auburn University - Agricultural Experiment Station	-	-	-
Auburn University - Alabama Cooperative Extension Service			
Support of State Universities: Auburn/Cooperative Extension Service	-	-	-
Total Auburn University - Alabama Cooperative Extension Service	-	-	-
Auburn University - Main Campus			
Support of State Universities: Auburn University System/Operations and Maintenance	-	-	-
Total Auburn University - Main Campus	-	-	-
Auburn University - Montgomery			
Support of State Universities: Auburn/AUM Operations and Maintenance	-	-	-
Total Auburn University - Montgomery	-	-	-
Fire College and Personnel Standards Commission			
Firefighters-Fire College: Alabama Fire College	-	-	-
Total Fire College and Personnel Standards Commission	-	-	-
Jacksonville State University			
Support of State Universities: Jacksonville State University/Operations and Maintenance	-	-	-
Total Jacksonville State University	-	-	-
Talladega College			
Support - Other Educational Activities	-	-	-
Total Talladega College	-	-	-
Troy University			
Support of State Universities: Troy State University System/Operations and Maintenance	-	-	-
Total Troy University	-	-	-
Tuskegee University			
Support - Other Educational Activities	-	-	-
Total Tuskegee University	-	-	-
University of Alabama - Birmingham			
Support of State Universities	-	-	-
Support of State Universities: Chauncey Sparks Center/University of Alabama at Birmingham	-	-	-
Support of State Universities: University Of Alabama-Birmingham/Operations and Maintenance	-	-	-
Total University of Alabama - Birmingham	-	-	-
University of Alabama - Huntsville			
Support of State Universities: University Of Alabama-Huntsville/Operations and Maintenance	-	-	-
Total University of Alabama - Huntsville	-	-	-
University of Alabama - Tuscaloosa			
Support of State Universities: University Of Alabama-Tuscaloosa/Operations and Maintenance	-	-	-
Total University of Alabama - Tuscaloosa	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
9,522	9,522	-	-	-	-	9,522	9,522	-
9,522	**9,522**	**-**	**-**	**-**	**-**	**9,522**	**9,522**	**-**
48,799	48,799	-	1,101	1,101	-	49,900	49,900	-
48,799	**48,799**	**-**	**1,101**	**1,101**	**-**	**49,900**	**49,900**	**-**
14,935	14,935	-	886	886	-	15,821	15,821	-
14,935	**14,935**	**-**	**886**	**886**	**-**	**15,821**	**15,821**	**-**
33,681	33,681	-	-	-	-	33,681	33,681	-
33,681	**33,681**	**-**	**-**	**-**	**-**	**33,681**	**33,681**	**-**
35,367	35,367	-	-	-	-	35,367	35,367	-
35,367	**35,367**	**-**	**-**	**-**	**-**	**35,367**	**35,367**	**-**
184,895	184,895	-	7,065	7,065	-	191,960	191,960	-
184,895	**184,895**	**-**	**7,065**	**7,065**	**-**	**191,960**	**191,960**	**-**
25,490	25,490	-	1,470	1,470	-	26,960	26,960	-
25,490	**25,490**	**-**	**1,470**	**1,470**	**-**	**26,960**	**26,960**	**-**
5,392	5,392	-	-	-	-	5,392	5,392	-
5,392	**5,392**	**-**	**-**	**-**	**-**	**5,392**	**5,392**	**-**
42,664	42,664	-	2,324	2,324	-	44,988	44,988	-
42,664	**42,664**	**-**	**2,324**	**2,324**	**-**	**44,988**	**44,988**	**-**
927	927	-	-	-	-	927	927	-
927	**927**	**-**	**-**	**-**	**-**	**927**	**927**	**-**
56,396	56,396	-	4,136	4,136	-	60,532	60,532	-
56,396	**56,396**	**-**	**4,136**	**4,136**	**-**	**60,532**	**60,532**	**-**
11,502	11,502	-	239	239	-	11,741	11,741	-
11,502	**11,502**	**-**	**239**	**239**	**-**	**11,741**	**11,741**	**-**
-	-	-	110	110	-	110	110	-
3,237	3,237	-	-	-	-	3,237	3,237	-
297,658	297,658	-	5,427	5,427	-	303,085	303,085	-
300,895	**300,895**	**-**	**5,537**	**5,537**	**-**	**306,432**	**306,432**	**-**
52,715	52,715	-	2,529	2,529	-	55,244	55,244	-
52,715	**52,715**	**-**	**2,529**	**2,529**	**-**	**55,244**	**55,244**	**-**
174,480	174,480	-	8,021	8,021	-	182,501	182,501	-
174,480	**174,480**	**-**	**8,021**	**8,021**	**-**	**182,501**	**182,501**	**-**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
University of Montevallo			
Support of State Universities: University Of Montevallo-Operations and Maintenance	-	-	-
Total University of Montevallo	**-**	**-**	**-**
University of North Alabama			
Support of State Universities: University of North Alabama/Operations and Maintenance	-	-	-
Total University of North Alabama	**-**	**-**	**-**
University of South Alabama			
Support of State Universities: University of South Alabama/Operations and Maintenance	-	-	-
Total University of South Alabama	**-**	**-**	**-**
University of West Alabama			
Support of State Universities: University Of West Alabama - Stillman College	-	-	-
Support of State Universities: University Of West Alabama/Operations and Maintenance	-	-	-
Total University of West Alabama	**-**	**-**	**-**
TOTAL Universities and Training Institutes	**-**	**-**	**-**
Other			
Accountancy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Accountancy Board	**-**	**-**	**-**
Agricultural Museum Board			
Agricultural Promotional Program	118	101	17
Total Agricultural Museum Board	**118**	**101**	**17**
Agriculture and Conservation Development Commission			
State Equipment	-	-	-
Water Resource Development	-	-	-
Total Agriculture and Conservation Development Commission	**-**	**-**	**-**
Alabama Athletic Commission			
Licensing, Regulation and Enforcement	-	-	-
Total Alabama Athletic Commission	**-**	**-**	**-**
Alabama Board of Genetic Counseling			
Professional and Occupational Licensing And Regulation	-	-	-
Total Alabama Board of Genetic Counseling	**-**	**-**	**-**
Alabama Commission on the Evaluation of Services			
Special Services	-	-	-
Total Alabama Commission on the Evaluation of Services	**-**	**-**	**-**
Alabama Innovation Fund			
Alabama Innovation Fund	-	-	-
Total Alabama Innovation Fund	**-**	**-**	**-**
Alabama School of Cyber Techonology and Engineering			
Operations and Maintenance	-	-	-
Total Alabama School of Cyber Techonology and Engineering	**-**	**-**	**-**
Alabama Security Regulatory Board			
Licensing, Regulation and Enforcement	-	-	-
Total Alabama Security Regulatory Board	**-**	**-**	**-**
Alabama Trust Fund			
Alabama Natural Heritage	-	-	-
Fiscal Management	26	8	18
Total Alabama Trust Fund	**26**	**8**	**18**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
22,113	22,113	-	727	727	-	22,840	22,840	-
22,113	**22,113**	**-**	**727**	**727**	**-**	**22,840**	**22,840**	**-**
32,766	32,766	-	1,989	1,989	-	34,755	34,755	-
32,766	**32,766**	**-**	**1,989**	**1,989**	**-**	**34,755**	**34,755**	**-**
118,799	118,799	-	3,523	3,523	-	122,322	122,322	-
118,799	**118,799**	**-**	**3,523**	**3,523**	**-**	**122,322**	**122,322**	**-**
135	135	-	-	-	-	135	135	-
18,342	18,342	-	1,390	1,390	-	19,732	19,732	-
18,477	**18,477**	**-**	**1,390**	**1,390**	**-**	**19,867**	**19,867**	**-**
1,289,203	**1,289,203**	**-**	**42,375**	**42,375**	**-**	**1,331,578**	**1,331,578**	**-**
-	-	-	1,720	1,521	199	1,720	1,521	199
-	**-**	**-**	**1,720**	**1,521**	**199**	**1,720**	**1,521**	**199**
-	-	-	-	-	-	118	101	17
-	**-**	**-**	**-**	**-**	**-**	**118**	**101**	**17**
-	-	-	1	1	-	1	1	-
-	-	-	906	475	431	906	475	431
-	**-**	**-**	**907**	**476**	**431**	**907**	**476**	**431**
-	-	-	206	66	140	206	66	140
-	**-**	**-**	**206**	**66**	**140**	**206**	**66**	**140**
-	-	-	70	-	70	70	-	70
-	**-**	**-**	**70**	**-**	**70**	**70**	**-**	**70**
2,469	458	2,011	-	-	-	2,469	458	2,011
2,469	**458**	**2,011**	**-**	**-**	**-**	**2,469**	**458**	**2,011**
3,420	3,420	-	-	-	-	3,420	3,420	-
3,420	**3,420**	**-**	**-**	**-**	**-**	**3,420**	**3,420**	**-**
5,400	5,400	-	-	-	-	5,400	5,400	-
5,400	**5,400**	**-**	**-**	**-**	**-**	**5,400**	**5,400**	**-**
-	-	-	950	674	276	950	674	276
-	**-**	**-**	**950**	**674**	**276**	**950**	**674**	**276**
-	-	-	1,500	973	527	1,500	973	527
-	-	-	-	-	-	26	8	18
-	**-**	**-**	**1,500**	**973**	**527**	**1,526**	**981**	**545**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Alcoholic Beverage Control Board			
Administrative Services	-	-	-
Alcoholic Beverage Management	-	-	-
Licensing, Regulation and Enforcement	-	-	-
State Agencies	-	-	-
Total Alcoholic Beverage Control Board	**-**	**-**	**-**
American Legion Scholarships			
Financial Assistance: American Legion Scholarships	-	-	-
Total American Legion Scholarships	**-**	**-**	**-**
Architects Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Architects Registration Board	**-**	**-**	**-**
Archives and History			
Historical Resources Management	1,665	1,665	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Archives and History	**1,665**	**1,665**	**-**
Assisted Living Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Assisted Living Examiners Board	**-**	**-**	**-**
Athlete Agent Regulatory Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athlete Agent Regulatory Commission	**-**	**-**	**-**
Athletic Trainers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athletic Trainers Board	**-**	**-**	**-**
Auctioneers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Auctioneers Board	**-**	**-**	**-**
Banking			
Charter Licensure and Regulation Financial	-	-	-
State Agencies	-	-	-
Total Banking	**-**	**-**	**-**
Board of Adjustment			
Special Services: Damage Claims-Board of Adjustment	58	5	53
Special Services: Death Claims-Board of Adjustment	2,668	2,668	-
Total Board of Adjustment	**2,726**	**2,673**	**53**
Board of Cosmetology and Barbering			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Board of Cosmetology and Barbering	**-**	**-**	**-**
Bureau of Pardons and Paroles			
Administration of Pardons and Paroles	74,490	59,526	14,964
State Agencies	-	-	-
State Equipment	-	-	-
Total Bureau of Pardons and Paroles	**74,490**	**59,526**	**14,964**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	20,503	13,820	6,683	20,503	13,820	6,683
-	-	-	71,039	67,005	4,034	71,039	67,005	4,034
-	-	-	7,747	4,729	3,018	7,747	4,729	3,018
-	-	-	547	547	-	547	547	-
-	**-**	**-**	**99,836**	**86,101**	**13,735**	**99,836**	**86,101**	**13,735**
113	83	30	-	-	-	113	83	30
113	**83**	**30**	**-**	**-**	**-**	**113**	**83**	**30**
-	-	-	537	375	162	537	375	162
-	-	-	6	6	-	6	6	-
-	**-**	**-**	**543**	**381**	**162**	**543**	**381**	**162**
7,025	6,263	762	746	387	359	9,436	8,315	1,121
-	-	-	39	36	3	39	36	3
-	-	-	13	-	13	13	-	13
7,025	**6,263**	**762**	**798**	**423**	**375**	**9,488**	**8,351**	**1,137**
-	-	-	106	62	44	106	62	44
-	**-**	**-**	**106**	**62**	**44**	**106**	**62**	**44**
-	-	-	25	5	20	25	5	20
-	**-**	**-**	**25**	**5**	**20**	**25**	**5**	**20**
-	-	-	90	62	28	90	62	28
-	**-**	**-**	**90**	**62**	**28**	**90**	**62**	**28**
-	-	-	275	142	133	275	142	133
-	**-**	**-**	**275**	**142**	**133**	**275**	**142**	**133**
-	-	-	17,375	14,953	2,422	17,375	14,953	2,422
-	-	-	55	55	-	55	55	-
-	**-**	**-**	**17,430**	**15,008**	**2,422**	**17,430**	**15,008**	**2,422**
-	-	-	-	-	-	58	5	53
-	-	-	-	-	-	2,668	2,668	-
-	**-**	**-**	**-**	**-**	**-**	**2,726**	**2,673**	**53**
-	-	-	3,355	2,381	974	3,355	2,381	974
-	-	-	123	123	-	123	123	-
-	**-**	**-**	**3,478**	**2,504**	**974**	**3,478**	**2,504**	**974**
-	-	-	11,844	8,378	3,466	86,334	67,904	18,430
-	-	-	625	532	93	625	532	93
-	-	-	265	265	-	265	265	-
-	**-**	**-**	**12,734**	**9,175**	**3,559**	**87,224**	**68,701**	**18,523**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Child Abuse & Neglect Prevention			
Social Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Child Abuse & Neglect Prevention	**-**	**-**	**-**
Children Services Facilitation			
Human Services	-	-	-
Total Children Services Facilitation	**-**	**-**	**-**
Chiropractic Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Chiropractic Examiners Board	**-**	**-**	**-**
Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority			
Water Resource Development	249	238	11
Total Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority	**249**	**238**	**11**
Coalition Against Domestic Violence			
Non-State	170	170	-
Total Coalition Against Domestic Violence	**170**	**170**	**-**
Commerce			
Industrial Development: Alabama Department Of Commerce	5,754	4,877	877
Industrial Training: Alabama Industrial Development Training/ Development Program	-	-	-
Industrial Training: Alabama Industrial Development Training/ Training Program	-	-	-
Industrial Training: Alabama Industrial Development/ Workforce Development	-	-	-
Industrial Training: Marketing Campaign Technical Education	-	-	-
Skills Enhancement/Employment Opportunities: Skills Enhancement	916	390	526
State Agencies	-	-	-
State Equipment	-	-	-
Total Commerce	**6,670**	**5,267**	**1,403**
Conservation and Natural Resources			
Administrative Services	-	-	-
Deepwater Horizon Oil Spill Restoration Program	-	-	-
Game and Fish	-	-	-
Marine Resources	-	-	-
Outdoor Recreation Sites and Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
State Land Management	-	-	-
Total Conservation and Natural Resources	**-**	**-**	**-**
Construction Recruitment			
Recruitment/Training Promotion	-	-	-
Total Construction Recruitment	**-**	**-**	**-**
Council on the Arts			
Fine Arts	-	-	-
State Equipment	-	-	-
Total Council on the Arts	**-**	**-**	**-**
Counseling Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Counseling Examiners Board	**-**	**-**	**-**
Court of Civil Appeals			
Court Operations	5,524	3,852	1,672
Total Court of Civil Appeals	**5,524**	**3,852**	**1,672**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	11,537	9,608	1,929	11,537	9,608	1,929
-	-	-	1	1	-	1	1	-
-	-	-	2	2	-	2	2	-
-	**-**	**-**	**11,540**	**9,611**	**1,929**	**11,540**	**9,611**	**1,929**
-	-	-	4,501	2,343	2,158	4,501	2,343	2,158
-	**-**	**-**	**4,501**	**2,343**	**2,158**	**4,501**	**2,343**	**2,158**
-	-	-	590	373	217	590	373	217
-	**-**	**-**	**590**	**373**	**217**	**590**	**373**	**217**
-	-	-	10	9	1	259	247	12
-	**-**	**-**	**10**	**9**	**1**	**259**	**247**	**12**
-	-	-	-	-	-	170	170	-
-	**-**	**-**	**-**	**-**	**-**	**170**	**170**	**-**
-	-	-	505	139	366	6,259	5,016	1,243
7,212	7,212	-	-	-	-	7,212	7,212	-
6,843	6,843	-	-	-	-	6,843	6,843	-
50,523	50,523	-	-	-	-	50,523	50,523	-
750	750	-	-	-	-	750	750	-
-	-	-	60,017	57,977	2,040	60,933	58,367	2,566
-	-	-	115	115	-	115	115	-
-	-	-	3	3	-	3	3	-
65,328	**65,328**	**-**	**60,640**	**58,234**	**2,406**	**132,638**	**128,829**	**3,809**
-	-	-	10,633	8,455	2,178	10,633	8,455	2,178
-	-	-	145,357	19,337	126,020	145,357	19,337	126,020
-	-	-	44,794	38,360	6,434	44,794	38,360	6,434
-	-	-	31,413	11,309	20,104	31,413	11,309	20,104
-	-	-	47,674	42,060	5,614	47,674	42,060	5,614
-	-	-	451	451	-	451	451	-
-	-	-	89	89	-	89	89	-
-	-	-	61,939	24,124	37,815	61,939	24,124	37,815
-	**-**	**-**	**342,350**	**144,185**	**198,165**	**342,350**	**144,185**	**198,165**
-	-	-	1,750	1,484	266	1,750	1,484	266
-	**-**	**-**	**1,750**	**1,484**	**266**	**1,750**	**1,484**	**266**
5,886	5,389	497	1,294	1,257	37	7,180	6,646	534
-	-	-	9	9	-	9	9	-
5,886	**5,389**	**497**	**1,303**	**1,266**	**37**	**7,189**	**6,655**	**534**
-	-	-	668	288	380	668	288	380
-	**-**	**-**	**668**	**288**	**380**	**668**	**288**	**380**
-	-	-	-	-	-	5,524	3,852	1,672
-	**-**	**-**	**-**	**-**	**-**	**5,524**	**3,852**	**1,672**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Court of Criminal Appeals			
Court Operations	5,381	3,922	1,459
Total Court of Criminal Appeals	**5,381**	**3,922**	**1,459**
Court Reporting			
Professional and Occupational Licensure and Regulation	-	-	-
Total Court Reporting	**-**	**-**	**-**
Credit Union Administration			
Charter Licensure and Regulation Financial	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Credit Union Administration	**-**	**-**	**-**
Crime Victims Compensation Commission			
Special Services	-	-	-
State Agencies	-	-	-
Total Crime Victims Compensation Commission	**-**	**-**	**-**
Dental Scholarships Awards Board			
Support - Other Educational Activities	-	-	-
Total Dental Scholarships Awards Board	**-**	**-**	**-**
Dietetics and Nutritionists Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Dietetics and Nutritionists Examining Board	**-**	**-**	**-**
District Attorneys			
Court Operations	13,138	12,726	412
Total District Attorneys	**13,138**	**12,726**	**412**
Early Childhood Education			
Children's Policy Council	-	-	-
Social Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Early Childhood Education	**-**	**-**	**-**
Educational Television Commission			
Educational Television	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Educational Television Commission	**-**	**-**	**-**
Electrical Contractors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Electrical Contractors Board	**-**	**-**	**-**
Electronic Security Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Electronic Security Board	**-**	**-**	**-**
Endowments			
Debt Service: Auburn University Endowment	-	-	-
Debt Service: Grove Hill Endowment	-	-	-
Debt Service: University Of Alabama Endowment	-	-	-
Total Endowments	**-**	**-**	**-**
Environmental Management			
Environmental Management	-	-	-
State Agencies	-	-	-
Total Environmental Management	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	5,381	3,922	1,459
-	**-**	**-**	**-**	**-**	**-**	**5,381**	**3,922**	**1,459**
-	-	-	200	57	143	200	57	143
-	**-**	**-**	**200**	**57**	**143**	**200**	**57**	**143**
-	-	-	3,456	1,775	1,681	3,456	1,775	1,681
-	-	-	1	1	-	1	1	-
-	-	-	2	2	-	2	2	-
-	**-**	**-**	**3,459**	**1,778**	**1,681**	**3,459**	**1,778**	**1,681**
-	-	-	3,695	2,114	1,581	3,695	2,114	1,581
-	-	-	192	192	-	192	192	-
-	**-**	**-**	**3,887**	**2,306**	**1,581**	**3,887**	**2,306**	**1,581**
231	231	-	-	-	-	231	231	-
231	**231**	**-**	**-**	**-**	**-**	**231**	**231**	**-**
-	-	-	150	119	31	150	119	31
-	**-**	**-**	**150**	**119**	**31**	**150**	**119**	**31**
-	-	-	27,660	27,608	52	40,798	40,334	464
-	**-**	**-**	**27,660**	**27,608**	**52**	**40,798**	**40,334**	**464**
-	-	-	9,500	5,805	3,695	9,500	5,805	3,695
129,265	128,428	837	23,860	18,722	5,138	153,125	147,150	5,975
-	-	-	5	-	5	5	-	5
-	-	-	41	-	41	41	-	41
129,265	**128,428**	**837**	**33,406**	**24,527**	**8,879**	**162,671**	**152,955**	**9,716**
9,595	7,609	1,986	3,685	1,480	2,205	13,280	9,089	4,191
-	-	-	2	-	2	2	-	2
-	-	-	7	-	7	7	-	7
9,595	**7,609**	**1,986**	**3,694**	**1,480**	**2,214**	**13,289**	**9,089**	**4,200**
-	-	-	925	624	301	925	624	301
-	**-**	**-**	**925**	**624**	**301**	**925**	**624**	**301**
-	-	-	475	404	71	475	404	71
-	**-**	**-**	**475**	**404**	**71**	**475**	**404**	**71**
20	20	-	-	-	-	20	20	-
1	1	-	-	-	-	1	1	-
61	61	-	-	-	-	61	61	-
82	**82**	**-**	**-**	**-**	**-**	**82**	**82**	**-**
-	-	-	70,697	65,135	5,562	70,697	65,135	5,562
-	-	-	18	18	-	18	18	-
-	**-**	**-**	**70,715**	**65,153**	**5,562**	**70,715**	**65,153**	**5,562**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Ethics Commission			
Regulation of Public Officials and Employees	2,774	1,967	807
State Agencies	-	-	-
Total Ethics Commission	**2,774**	**1,967**	**807**
Finance - Teacher Unused Sick Leave			
Employee Benefits	-	-	-
Total Finance - Teacher Unused Sick Leave	**-**	**-**	**-**
Finance Special Appropriations			
Administration Service and Logistical Support: Removal of Prisoners	1,317	1,107	210
Criminal Investigation: Arrest of Absconding Felons	25	15	10
Executive Direction: Governors' Widow Retirement	6	-	6
Fiscal Management: Cash Management Improvement Act (CMIA)	226	226	-
Fiscal Management: Employee Suggestion Awards Program	27	1	26
Institutional Service Corrections: Emergency Prisoner Feeding Fund	-	-	-
Institutional Service Corrections: Feeding of Prisoners	11,978	10,594	1,384
Legal Advice And Legal Service: Automatic Appeal Expense	16	-	16
Legal Advice And Legal Service: Court Assessed Cost Not Otherwise Provided	265	176	89
Legal Advice And Legal Service: Law Enforcement Legal Defense	1	-	1
Special Services: Court Assessed Cost Not Otherwise Provided	5,501	4,250	1,251
Special Services: Dandridge, Beniah	50	50	-
Special Services: Election Expenses	10,615	7,936	2,679
Special Services: Emergency Fund, Departmental	5,381	560	4,821
Special Services: Grimes, Dan	50	50	-
Special Services: Littleton, Joseph Michael	53	53	-
Special Services: Registration of Voters	4,255	3,581	674
Special Services: Williams, Antonio Shawn	88	88	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Finance Special Appropriations	**39,854**	**28,687**	**11,167**

Education Trust Fund			Earmarked Funds			Total		
Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
-	-	-	-	-	-	2,774	1,967	807
-	-	-	25	25	-	25	25	-
-	**-**	**-**	**25**	**25**	**-**	**2,799**	**1,992**	**807**
1,740	1,669	71	-	-	-	1,740	1,669	71
1,740	**1,669**	**71**	**-**	**-**	**-**	**1,740**	**1,669**	**71**
-	-	-	-	-	-	1,317	1,107	210
-	-	-	-	-	-	25	15	10
-	-	-	-	-	-	6	-	6
-	-	-	-	-	-	226	226	-
-	-	-	-	-	-	27	1	26
-	-	-	1,000	-	1,000	1,000	-	1,000
-	-	-	-	-	-	11,978	10,594	1,384
-	-	-	-	-	-	16	-	16
-	-	-	-	-	-	265	176	89
-	-	-	-	-	-	1	-	1
-	-	-	-	-	-	5,501	4,250	1,251
-	-	-	-	-	-	50	50	-
-	-	-	-	-	-	10,615	7,936	2,679
-	-	-	-	-	-	5,381	560	4,821
-	-	-	-	-	-	50	50	-
-	-	-	-	-	-	53	53	-
-	-	-	-	-	-	4,255	3,581	674
-	-	-	-	-	-	88	88	-
-	-	-	15	15	-	15	15	-
-	-	-	1	1	-	1	1	-
-	**-**	**-**	**1,016**	**16**	**1,000**	**40,870**	**28,703**	**12,167**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Finance Special Funds			
Alabama AHEC Program	-	-	-
Appropriation Transfers	-	-	-
Colleges and Universities	-	-	-
Community Colleges - Remote Instruction and Learning Program	-	-	-
Corrections	-	-	-
Counties	-	-	-
Courts	-	-	-
Faith Based	-	-	-
Healthcare	-	-	-
Hospitals	-	-	-
Independent Colleges Program	-	-	-
Municipalities	-	-	-
Non Profits	-	-	-
Nursing Home Program	-	-	-
Nursing Home Testing	-	-	-
Public Universities Remote Instruction and Learning Program	-	-	-
Small Business	-	-	-
Special Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Statewide Testing	-	-	-
Tourism Marketing Recovery Program	-	-	-
UAB Post-Acute Care Program	-	-	-
Unemployment Trust Fund Transfer Program	-	-	-
Total Finance Special Funds	-	-	-
Forensic Sciences			
Forensic Science Services	15,206	14,767	439
State Agencies	-	-	-
State Equipment	-	-	-
Total Forensic Sciences	**15,206**	**14,767**	**439**
Foresters Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Foresters Registration Board	-	-	-
Forestry Commission			
Forest Resources Protection and Development	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Timber Owners Program	-	-	-
Total Forestry Commission	-	-	-
Forever Wild Land Trust			
Administrative Services	-	-	-
Total Forever Wild Land Trust	-	-	-
Fringe Benefit Accounts			
Fringe Benefits: Judicial Retirement - General Fund Share	2,627	2,627	-
Total Fringe Benefit Accounts	**2,627**	**2,627**	-
Funeral Services Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Funeral Services Board	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	757	757	-	757	757	-
-	-	-	241,304	236,097	5,207	241,304	236,097	5,207
-	-	-	50,000	159	49,841	50,000	159	49,841
-	-	-	27,345	27,345	-	27,345	27,345	-
-	-	-	102,600	-	102,600	102,600	-	102,600
-	-	-	125,000	2,463	122,537	125,000	2,463	122,537
-	-	-	8,494	417	8,077	8,494	417	8,077
-	-	-	17,947	8,332	9,615	17,947	8,332	9,615
-	-	-	1,800	-	1,800	1,800	-	1,800
-	-	-	50,000	2,217	47,783	50,000	2,217	47,783
-	-	-	20,000	-	20,000	20,000	-	20,000
-	-	-	125,000	18,144	106,856	125,000	18,144	106,856
-	-	-	21,315	13,556	7,759	21,315	13,556	7,759
-	-	-	50,000	50,000	-	50,000	50,000	-
-	-	-	18,270	10,000	8,270	18,270	10,000	8,270
-	-	-	25,000	455	24,545	25,000	455	24,545
-	-	-	96,581	96,581	-	96,581	96,581	-
-	-	-	57,270	57,270	-	57,270	57,270	-
-	-	-	116,076	2,954	113,122	116,076	2,954	113,122
-	-	-	21,848	28	21,820	21,848	28	21,820
-	-	-	37,000	6,000	31,000	37,000	6,000	31,000
-	-	-	10,000	-	10,000	10,000	-	10,000
-	-	-	1,202	-	1,202	1,202	-	1,202
-	-	-	300,000	300,000	-	300,000	300,000	-
-	**-**	**-**	**1,524,809**	**832,775**	**692,034**	**1,524,809**	**832,775**	**692,034**
-	-	-	14,237	11,599	2,638	29,443	26,366	3,077
-	-	-	613	613	-	613	613	-
-	-	-	23	23	-	23	23	-
-	**-**	**-**	**14,873**	**12,235**	**2,638**	**30,079**	**27,002**	**3,077**
-	-	-	200	140	60	200	140	60
-	**-**	**-**	**200**	**140**	**60**	**200**	**140**	**60**
60	60	-	31,710	23,420	8,290	31,770	23,480	8,290
-	-	-	59	59	-	59	59	-
-	-	-	8	8	-	8	8	-
-	-	-	10,000	-	10,000	10,000	-	10,000
60	**60**	**-**	**41,777**	**23,487**	**18,290**	**41,837**	**23,547**	**18,290**
-	-	-	8,539	6,341	2,198	8,539	6,341	2,198
-	**-**	**-**	**8,539**	**6,341**	**2,198**	**8,539**	**6,341**	**2,198**
-	-	-	-	-	-	2,627	2,627	-
-	**-**	**-**	**-**	**-**	**-**	**2,627**	**2,627**	**-**
-	-	-	574	474	100	574	474	100
-	-	-	2	2	-	2	2	-
-	-	-	3	3	-	3	3	-
-	**-**	**-**	**579**	**479**	**100**	**579**	**479**	**100**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
General Contractors Licensing Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total General Contractors Licensing Board	**-**	**-**	**-**
General Obligation Debt Service and Reserve			
Debt Service	-	-	-
Debt Service: Alabama Incentives Finance Authority 2009-A Bonds	-	-	-
Debt Service: Alabama Incentives Finance Authority 2009-B Bonds	-	-	-
Debt Service: Alabama Incentives Finance Authority 2009-C Bonds	-	-	-
Debt Service: Alabama Incentives Finance Authority 2019-A Bonds	-	-	-
Debt Service: Debt Service-General Obligation 2016-A	728	728	-
Debt Service: Debt Service-General Obligation 2016-B	-	-	-
Debt Service: Debt Service-General Obligation 2016-C	745	745	-
Debt Service: General Obligation 2010-A Refunding Agriculture Development	-	-	-
Debt Service: General Obligation 2010-B Refunding Forensic Science	-	-	-
Debt Service: General Obligation 2010-C Refunding Parks Systems Board	7,938	7,938	-
Debt Service: General Obligation 2013-A Refunding Bond	15,000	15,000	-
Debt Service: General Obligation 2013-B Capital Improvement Bond	-	-	-
Debt Service: General Obligation 2013-C Refunding Bond	276	276	-
Debt Service: General Obligation 2014-A Refunding Bonds	13,000	13,000	-
Debt Service: General Obligation 2018-A Debt Service	3,418	3,418	-
Debt Service: General Obligation 2018-B Debt Service	1,951	1,951	-
Debt Service: General Obligation 2018-C Debt Service	-	-	-
Total General Obligation Debt Service and Reserve	**43,056**	**43,056**	**-**
Geological Survey			
Mineral, Energy, and Water Resources	3,140	3,020	120
State Agencies	-	-	-
State Equipment	-	-	-
Total Geological Survey	**3,140**	**3,020**	**120**
Governor's Contingency Fund			
Executive Direction	-	-	-
Executive Direction: Governor's Contingency Fund	247	155	92
Total Governor's Contingency Fund	**247**	**155**	**92**
Governor's Mansion Authority			
Historical Resources Management	-	-	-
State Agencies	-	-	-
Total Governor's Mansion Authority	**-**	**-**	**-**
Governor's Office of Minority Affairs			
Executive Direction	924	438	486
Total Governor's Office of Minority Affairs	**924**	**438**	**486**
Governor's Office of Volunteer Services			
Executive Direction	-	-	-
Total Governor's Office of Volunteer Services	**-**	**-**	**-**
Governor's Office on Disability			
Executive Direction	400	100	300
Total Governor's Office on Disability	**400**	**100**	**300**
Health Planning and Development			
Health Planning Development and Regulation	7	7	-
State Agencies	-	-	-
Total Health Planning and Development	**7**	**7**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	2,597	1,284	1,313	2,597	1,284	1,313
-	-	-	30	30	-	30	30	-
-	**-**	**-**	**2,627**	**1,314**	**1,313**	**2,627**	**1,314**	**1,313**
-	-	-	95,193	95,193	-	95,193	95,193	-
-	-	-	-	-	-	-	-	-
2,559	2,559	-	-	-	-	2,559	2,559	-
-	-	-	-	-	-	-	-	-
1,652	1,652	-	-	-	-	1,652	1,652	-
3,000	3,000	-	-	-	-	3,728	3,728	-
-	-	-	5,929	5,929	-	5,929	5,929	-
4,000	4,000	-	-	-	-	4,745	4,745	-
4,898	4,898	-	-	-	-	4,898	4,898	-
1,523	1,523	-	-	-	-	1,523	1,523	-
-	-	-	-	-	-	7,938	7,938	-
500	500	-	7,009	7,009	-	22,509	22,509	-
-	-	-	2,464	2,464	-	2,464	2,464	-
-	-	-	-	-	-	276	276	-
11,000	11,000	-	1,538	1,538	-	25,538	25,538	-
1,500	1,500	-	-	-	-	4,918	4,918	-
3,787	3,786	1	-	-	-	5,738	5,737	1
-	-	-	5,265	5,265	-	5,265	5,265	-
34,419	**34,418**	**1**	**117,398**	**117,398**	**-**	**194,873**	**194,872**	**1**
521	519	2	3,772	1,005	2,767	7,433	4,544	2,889
-	-	-	8	8	-	8	8	-
-	-	-	15	15	-	15	15	-
521	**519**	**2**	**3,795**	**1,028**	**2,767**	**7,456**	**4,567**	**2,889**
-	-	-	16	1	15	16	1	15
-	-	-	-	-	-	247	155	92
-	**-**	**-**	**16**	**1**	**15**	**263**	**156**	**107**
-	-	-	948	764	184	948	764	184
-	-	-	6	6	-	6	6	-
-	**-**	**-**	**954**	**770**	**184**	**954**	**770**	**184**
-	-	-	-	-	-	924	438	486
-	**-**	**-**	**-**	**-**	**-**	**924**	**438**	**486**
361	292	69	4,918	1,908	3,010	5,279	2,200	3,079
361	**292**	**69**	**4,918**	**1,908**	**3,010**	**5,279**	**2,200**	**3,079**
-	-	-	-	-	-	400	100	300
-	**-**	**-**	**-**	**-**	**-**	**400**	**100**	**300**
-	-	-	3,076	992	2,084	3,083	999	2,084
-	-	-	28	28	-	28	28	-
-	**-**	**-**	**3,104**	**1,020**	**2,084**	**3,111**	**1,027**	**2,084**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Hearing Instrument Dealers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Hearing Instrument Dealers Board	**-**	**-**	**-**
Heating, Air Conditioning, and Refrigeration Contractors Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Heating, Air Conditioning, and Refrigeration Contractors Board	**-**	**-**	**-**
High School of Math and Science			
Financial Assistance	-	-	-
State Agencies	-	-	-
Total High School of Math and Science	**-**	**-**	**-**
Historical Commission			
Historical Resources Management: Capitol Preservation	-	-	-
Historical Resources Management: Confederate Park-Soldier Fund	-	-	-
Historical Resources Management: Historical Commission	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Historical Commission	**-**	**-**	**-**
Home Builders Licensure Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Home Builders Licensure Board	**-**	**-**	**-**
Home Medical Equipment Services Provider Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Home Medical Equipment Services Provider Board	**-**	**-**	**-**
Indian Affairs Commission			
Social Services	123	104	19
Total Indian Affairs Commission	**123**	**104**	**19**
Insurance			
Regulatory Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Insurance	**-**	**-**	**-**
Interior Design Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Interior Design Registration Board	**-**	**-**	**-**
Interpreters and Transliterators			
Professional and Occupational Licensure and Regulation	-	-	-
Total Interpreters and Transliterators	**-**	**-**	**-**
Judicial Inquiry Commission			
Administrative Services	681	636	45
Total Judicial Inquiry Commission	**681**	**636**	**45**
Landscape Architect Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Landscape Architect Examining Board	**-**	**-**	**-**
Legislative Council			
Legislative Operations and Support	2,930	821	2,109
State Agencies	-	-	-
State Equipment	-	-	-
Total Legislative Council	**2,930**	**821**	**2,109**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	54	39	15	54	39	15
-	**-**	**-**	**54**	**39**	**15**	**54**	**39**	**15**
-	-	-	1,500	1,084	416	1,500	1,084	416
-	-	-	51	51	-	51	51	-
-	**-**	**-**	**1,551**	**1,135**	**416**	**1,551**	**1,135**	**416**
8,647	8,512	135	5	5	-	8,652	8,517	135
-	-	-	34	34	-	34	34	-
8,647	**8,512**	**135**	**39**	**39**	**-**	**8,686**	**8,551**	**135**
-	-	-	195	136	59	195	136	59
-	-	-	620	315	305	620	315	305
-	-	-	8,231	6,645	1,586	8,231	6,645	1,586
-	-	-	131	131	-	131	131	-
-	-	-	7	7	-	7	7	-
-	**-**	**-**	**9,184**	**7,234**	**1,950**	**9,184**	**7,234**	**1,950**
-	-	-	4,050	2,347	1,703	4,050	2,347	1,703
-	-	-	39	39	-	39	39	-
-	**-**	**-**	**4,089**	**2,386**	**1,703**	**4,089**	**2,386**	**1,703**
-	-	-	350	131	219	350	131	219
-	**-**	**-**	**350**	**131**	**219**	**350**	**131**	**219**
-	-	-	110	92	18	233	196	37
-	**-**	**-**	**110**	**92**	**18**	**233**	**196**	**37**
-	-	-	45,665	26,093	19,572	45,665	26,093	19,572
-	-	-	137	137	-	137	137	-
-	-	-	56	56	-	56	56	-
-	**-**	**-**	**45,858**	**26,286**	**19,572**	**45,858**	**26,286**	**19,572**
-	-	-	50	43	7	50	43	7
-	**-**	**-**	**50**	**43**	**7**	**50**	**43**	**7**
-	-	-	55	25	30	55	25	30
-	**-**	**-**	**55**	**25**	**30**	**55**	**25**	**30**
-	-	-	-	-	-	681	636	45
-	**-**	**-**	**-**	**-**	**-**	**681**	**636**	**45**
-	-	-	62	50	12	62	50	12
-	**-**	**-**	**62**	**50**	**12**	**62**	**50**	**12**
-	-	-	-	-	-	2,930	821	2,109
-	-	-	17	17	-	17	17	-
-	-	-	789	789	-	789	789	-
-	**-**	**-**	**806**	**806**	**-**	**3,736**	**1,627**	**2,109**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Legislative Services Agency			
Legislative Operations and Support	8,664	4,879	3,785
State Agencies	-	-	-
State Equipment	-	-	-
Total Legislative Services Agency	**8,664**	**4,879**	**3,785**
Lieutenant Governor			
Commission on 21st Century Workforce	-	-	-
Legislative Operations and Support	721	530	191
Total Lieutenant Governor	**721**	**530**	**191**
Liquefied Petroleum Gas Board			
Regulatory Services	-	-	-
State Agencies	-	-	-
Total Liquefied Petroleum Gas Board	**-**	**-**	**-**
Lyman Ward Military Academy			
Support - Other Educational Activities	-	-	-
Total Lyman Ward Military Academy	**-**	**-**	**-**
Manufactured Housing Commission			
Regulatory Services	-	-	-
State Agencies	-	-	-
Total Manufactured Housing Commission	**-**	**-**	**-**
Marine Environmental Sciences Consortium			
Support - Other Educational Activities	-	-	-
Total Marine Environmental Sciences Consortium	**-**	**-**	**-**
Marriage and Family Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Marriage and Family Therapy Board	**-**	**-**	**-**
Massage Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Massage Therapy Board	**-**	**-**	**-**
Medical Scholarships Awards Board			
Support - Other Educational Activities	-	-	-
Total Medical Scholarships Awards Board	**-**	**-**	**-**
Military			
Military Operations: Active Military Service	2,230	2,051	179
Military Operations: Air National Guard Operations and Maintenance	1,486	930	556
Military Operations: Counter Drug	-	-	-
Military Operations: Military Billeting	-	-	-
Military Operations: Operations	2,619	1,375	1,244
Military Operations: Operations and Maintenance	9,264	4,533	4,731
State Agencies	-	-	-
Total Military	**15,599**	**8,889**	**6,710**
Music Hall of Fame			
Fine Arts	-	-	-
Total Music Hall of Fame	**-**	**-**	**-**
Nursing Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Nursing Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
6,318	2,973	3,345	616	300	316	15,598	8,152	7,446
-	-	-	9	9	-	9	9	-
-	-	-	26	26	-	26	26	-
6,318	**2,973**	**3,345**	**651**	**335**	**316**	**15,633**	**8,187**	**7,446**
250	122	128	-	-	-	250	122	128
-	-	-	-	-	-	721	530	191
250	**122**	**128**	**-**	**-**	**-**	**971**	**652**	**319**
-	-	-	1,965	1,224	741	1,965	1,224	741
-	-	-	8	8	-	8	8	-
-	**-**	**-**	**1,973**	**1,232**	**741**	**1,973**	**1,232**	**741**
357	357	-	-	-	-	357	357	-
357	**357**	**-**	**-**	**-**	**-**	**357**	**357**	**-**
-	-	-	3,436	2,539	897	3,436	2,539	897
-	-	-	55	55	-	55	55	-
-	**-**	**-**	**3,491**	**2,594**	**897**	**3,491**	**2,594**	**897**
6,203	6,203	-	-	-	-	6,203	6,203	-
6,203	**6,203**	**-**	**-**	**-**	**-**	**6,203**	**6,203**	**-**
-	-	-	100	55	45	100	55	45
-	**-**	**-**	**100**	**55**	**45**	**100**	**55**	**45**
-	-	-	275	234	41	275	234	41
-	**-**	**-**	**275**	**234**	**41**	**275**	**234**	**41**
1,440	1,440	-	400	-	400	1,840	1,440	400
1,440	**1,440**	**-**	**400**	**-**	**400**	**1,840**	**1,440**	**400**
-	-	-	-	-	-	2,230	2,051	179
-	-	-	6,845	6,093	752	8,331	7,023	1,308
-	-	-	19	8	11	19	8	11
-	-	-	630	592	38	630	592	38
-	-	-	-	-	-	2,619	1,375	1,244
-	-	-	79,259	45,743	33,516	88,523	50,276	38,247
-	-	-	14	14	-	14	14	-
-	**-**	**-**	**86,767**	**52,450**	**34,317**	**102,366**	**61,339**	**41,027**
150	143	7	347	182	165	497	325	172
150	**143**	**7**	**347**	**182**	**165**	**497**	**325**	**172**
616	541	75	8,184	6,782	1,402	8,800	7,323	1,477
-	-	-	106	104	2	106	104	2
-	-	-	8	8	-	8	8	-
616	**541**	**75**	**8,298**	**6,894**	**1,404**	**8,914**	**7,435**	**1,479**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Nursing Home Administration Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Nursing Home Administration Examining Board	**-**	**-**	**-**
Occupational Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Occupational Therapy Board	**-**	**-**	**-**
Office of Information Technology			
Administrative Support Service	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Office of Information Technology	**-**	**-**	**-**
Office of Prosecution Services			
Prosecution Training Education and Management	815	815	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Office of Prosecution Services	**815**	**815**	**-**
Oil and Gas Board			
Management and Regulation of Oil and Gas Exploration/Develop	2,695	2,563	132
State Agencies	-	-	-
State Equipment	-	-	-
Total Oil and Gas Board	**2,695**	**2,563**	**132**
Onsite Wastewater Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Onsite Wastewater Board	**-**	**-**	**-**
Optometric Scholarships Awards			
Support - Other Educational Activities	-	-	-
Total Optometric Scholarships Awards	**-**	**-**	**-**
Peace Officer Annuity and Benefits			
Retirement Systems	-	-	-
State Agencies	-	-	-
Total Peace Officer Annuity and Benefits	**-**	**-**	**-**
Peace Officer Standards and Training			
Certified Law Enforcement Academy Program	-	-	-
Professional and Occupational Licensure and Regulation	-	-	-
State Equipment	-	-	-
Total Peace Officer Standards and Training	**-**	**-**	**-**
Personnel			
Administrative Support Service	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Personnel	**-**	**-**	**-**
Physical Fitness Commission			
Advisory Services	-	-	-
Total Physical Fitness Commission	**-**	**-**	**-**
Physical Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Physical Therapy Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	118	72	46	118	72	46
-	**-**	**-**	**118**	**72**	**46**	**118**	**72**	**46**
-	-	-	256	206	50	256	206	50
-	**-**	**-**	**256**	**206**	**50**	**256**	**206**	**50**
-	-	-	88,780	80,858	7,922	88,780	80,858	7,922
-	-	-	136	136	-	136	136	-
-	-	-	1,023	1,023	-	1,023	1,023	-
-	**-**	**-**	**89,939**	**82,017**	**7,922**	**89,939**	**82,017**	**7,922**
-	-	-	9,900	9,177	723	10,715	9,992	723
-	-	-	47	47	-	47	47	-
-	-	-	13	13	-	13	13	-
-	**-**	**-**	**9,960**	**9,237**	**723**	**10,775**	**10,052**	**723**
-	-	-	785	74	711	3,480	2,637	843
-	-	-	34	34	-	34	34	-
-	-	-	3	3	-	3	3	-
-	**-**	**-**	**822**	**111**	**711**	**3,517**	**2,674**	**843**
-	-	-	441	380	61	441	380	61
-	**-**	**-**	**441**	**380**	**61**	**441**	**380**	**61**
165	165	-	-	-	-	165	165	-
165	**165**	**-**	**-**	**-**	**-**	**165**	**165**	**-**
-	-	-	748	581	167	748	581	167
-	-	-	7	7	-	7	7	-
-	**-**	**-**	**755**	**588**	**167**	**755**	**588**	**167**
1,000	1,000	-	500	275	225	1,500	1,275	225
252	252	-	3,000	1,497	1,503	3,252	1,749	1,503
-	-	-	119	119	-	119	119	-
1,252	**1,252**	**-**	**3,619**	**1,891**	**1,728**	**4,871**	**3,143**	**1,728**
-	-	-	12,009	10,384	1,625	12,009	10,384	1,625
-	-	-	229	229	-	229	229	-
-	-	-	38	38	-	38	38	-
-	**-**	**-**	**12,276**	**10,651**	**1,625**	**12,276**	**10,651**	**1,625**
1,770	1,763	7	12	11	1	1,782	1,774	8
1,770	**1,763**	**7**	**12**	**11**	**1**	**1,782**	**1,774**	**8**
-	-	-	637	416	221	637	416	221
-	**-**	**-**	**637**	**416**	**221**	**637**	**416**	**221**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Plumbers and Gas Fitters Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Plumbers and Gas Fitters Examining Board	**-**	**-**	**-**
Polygraph Examiners			
Professional and Occupational Licensure and Regulation	-	-	-
Total Polygraph Examiners	**-**	**-**	**-**
President Pro Tempore Senate			
Legislative Operations and Support	1,381	1,027	354
Total President Pro Tempore Senate	**1,381**	**1,027**	**354**
Private Investigation Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Private Investigation Board	**-**	**-**	**-**
Professional Bail Bonding Board			
Professional and Occupational Licensing And Regulation	-	-	-
Total Professional Bail Bonding Board	**-**	**-**	**-**
Professional Engineers and Land Surveyors Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Professional Engineers and Land Surveyors Board	**-**	**-**	**-**
Professional Geologists Licensing Board			
Mineral, Energy, and Water Resources	-	-	-
Total Professional Geologists Licensing Board	**-**	**-**	**-**
Prosthetists and Orthotists Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Prosthetists and Orthotists Board	**-**	**-**	**-**
Psychology Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Psychology Examiners Board	**-**	**-**	**-**
Public Education Employees Health Insurance Board			
Administrative Support Service	-	-	-
State Agencies	-	-	-
Total Public Education Employees Health Insurance Board	**-**	**-**	**-**
Public Historical Sites Improvement			
Debt Service	-	-	-
Total Public Historical Sites Improvement	**-**	**-**	**-**
Public Library Service			
Public Library Services	-	-	-
State Agencies	-	-	-
Total Public Library Service	**-**	**-**	**-**
Real Estate Appraisers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Real Estate Appraisers Board	**-**	**-**	**-**
Real Estate Commission			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Real Estate Commission	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	2,219	1,610	609	2,219	1,610	609
-	-	-	2	-	2	2	-	2
-	**-**	**-**	**2,221**	**1,610**	**611**	**2,221**	**1,610**	**611**
-	-	-	30	18	12	30	18	12
-	**-**	**-**	**30**	**18**	**12**	**30**	**18**	**12**
-	-	-	-	-	-	1,381	1,027	354
-	**-**	**-**	**-**	**-**	**-**	**1,381**	**1,027**	**354**
-	-	-	150	96	54	150	96	54
-	**-**	**-**	**150**	**96**	**54**	**150**	**96**	**54**
-	-	-	87	52	35	87	52	35
-	**-**	**-**	**87**	**52**	**35**	**87**	**52**	**35**
-	-	-	2,086	907	1,179	2,086	907	1,179
-	-	-	44	44	-	44	44	-
-	**-**	**-**	**2,130**	**951**	**1,179**	**2,130**	**951**	**1,179**
-	-	-	75	62	13	75	62	13
-	**-**	**-**	**75**	**62**	**13**	**75**	**62**	**13**
-	-	-	250	153	97	250	153	97
-	**-**	**-**	**250**	**153**	**97**	**250**	**153**	**97**
-	-	-	549	292	257	549	292	257
-	**-**	**-**	**549**	**292**	**257**	**549**	**292**	**257**
-	-	-	6,419	4,705	1,714	6,419	4,705	1,714
-	-	-	5,150	5,150	-	5,150	5,150	-
-	**-**	**-**	**11,569**	**9,855**	**1,714**	**11,569**	**9,855**	**1,714**
-	-	-	276	276	-	276	276	-
-	**-**	**-**	**276**	**276**	**-**	**276**	**276**	**-**
12,280	11,907	373	3,640	2,735	905	15,920	14,642	1,278
-	-	-	24	24	-	24	24	-
12,280	**11,907**	**373**	**3,664**	**2,759**	**905**	**15,944**	**14,666**	**1,278**
-	-	-	1,072	760	312	1,072	760	312
-	**-**	**-**	**1,072**	**760**	**312**	**1,072**	**760**	**312**
-	-	-	5,709	4,309	1,400	5,709	4,309	1,400
-	-	-	3	3	-	3	3	-
-	-	-	10	10	-	10	10	-
-	**-**	**-**	**5,722**	**4,322**	**1,400**	**5,722**	**4,322**	**1,400**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Respiratory Therapy			
Professional and Occupational Licensure and Regulation	-	-	-
Total Respiratory Therapy	**-**	**-**	**-**
Retirement Systems of Alabama			
Retirement Systems	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Retirement Systems of Alabama	**-**	**-**	**-**
School of Fine Arts			
Financial Assistance	-	-	-
Total School of Fine Arts	**-**	**-**	**-**
Securities Commission			
Regulatory Services	-	-	-
Total Securities Commission	**-**	**-**	**-**
Senior Services			
Elderly Medication Program	1,782	1,756	26
Medicaid Waiver Services	24,185	23,550	635
Planning and Advocacy for Elderly	6,604	4,432	2,172
Total Senior Services	**32,571**	**29,738**	**2,833**
Sickle Cell Oversight Commission			
Support - Other Educational Activities	-	-	-
Total Sickle Cell Oversight Commission	**-**	**-**	**-**
Social Work Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Social Work Examiners Board	**-**	**-**	**-**
Soil and Water Conservation Commission			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Water Resource Development	3,222	3,142	80
Total Soil and Water Conservation Commission	**3,222**	**3,142**	**80**
Space Science Exhibit Commission and Finance Authority			
Special Services	-	-	-
Total Space Science Exhibit Commission and Finance Authority	**-**	**-**	**-**
Speaker of the House			
Speaker Of House, Office Of	3,459	938	2,521
Total Speaker of the House	**3,459**	**938**	**2,521**
Speech Pathologists and Audiologists Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Speech Pathologists and Audiologists Examining Board	**-**	**-**	**-**
State Bar Association			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total State Bar Association	**-**	**-**	**-**
State Board of Midwifery			
Alabama State Board of Midwifery	-	-	-
Total State Board of Midwifery	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	350	137	213	350	137	213
-	**-**	**-**	**350**	**137**	**213**	**350**	**137**	**213**
-	-	-	76,803	52,458	24,345	76,803	52,458	24,345
-	-	-	858	858	-	858	858	-
-	-	-	140	140	-	140	140	-
-	**-**	**-**	**77,801**	**53,456**	**24,345**	**77,801**	**53,456**	**24,345**
8,647	8,647	-	-	-	-	8,647	8,647	-
8,647	**8,647**	**-**	**-**	**-**	**-**	**8,647**	**8,647**	**-**
-	-	-	24,978	8,336	16,642	24,978	8,336	16,642
-	**-**	**-**	**24,978**	**8,336**	**16,642**	**24,978**	**8,336**	**16,642**
-	-	-	-	-	-	1,782	1,756	26
-	-	-	119,620	103,508	16,112	143,805	127,058	16,747
-	-	-	46,906	33,287	13,619	53,510	37,719	15,791
-	**-**	**-**	**166,526**	**136,795**	**29,731**	**199,097**	**166,533**	**32,564**
1,455	1,454	1	-	-	-	1,455	1,454	1
1,455	**1,454**	**1**	**-**	**-**	**-**	**1,455**	**1,454**	**1**
-	-	-	402	311	91	402	311	91
-	-	-	6	6	-	6	6	-
-	**-**	**-**	**408**	**317**	**91**	**408**	**317**	**91**
-	-	-	9	-	9	9	-	9
-	-	-	9	9	-	9	9	-
-	-	-	5	5	-	5	5	-
-	-	-	11,159	3,628	7,531	14,381	6,770	7,611
-	**-**	**-**	**11,182**	**3,642**	**7,540**	**14,404**	**6,784**	**7,620**
1,260	1,260	-	-	-	-	1,260	1,260	-
1,260	**1,260**	**-**	**-**	**-**	**-**	**1,260**	**1,260**	**-**
-	-	-	-	-	-	3,459	938	2,521
-	**-**	**-**	**-**	**-**	**-**	**3,459**	**938**	**2,521**
-	-	-	300	215	85	300	215	85
-	**-**	**-**	**300**	**215**	**85**	**300**	**215**	**85**
-	-	-	6,850	5,487	1,363	6,850	5,487	1,363
-	-	-	2	2	-	2	2	-
-	-	-	43	43	-	43	43	-
-	**-**	**-**	**6,895**	**5,532**	**1,363**	**6,895**	**5,532**	**1,363**
-	-	-	33	8	25	33	8	25
-	**-**	**-**	**33**	**8**	**25**	**33**	**8**	**25**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
State Employees Insurance Board			
Administrative Support Service	-	-	-
Fringe Benefits	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total State Employees Insurance Board	-	-	-
State Executive Community Services Grants Commission			
Alabama Community Service Grant: House of Representatives	-	-	-
Alabama Community Service Grant: Senate	-	-	-
Higher Education Equalization Program	-	-	-
Total State Executive Community Services Grants Commission	-	-	-
State Industrial Development Authority			
Industrial Development	-	-	-
Total State Industrial Development Authority	-	-	-
Supercomputer Authority			
Information Technology Services	-	-	-
Total Supercomputer Authority	-	-	-
Supreme Court			
Court Operations	11,437	11,080	357
Total Supreme Court	**11,437**	**11,080**	**357**
Supreme Court Law Library			
Court Operations	1,162	942	220
Total Supreme Court Law Library	**1,162**	**942**	**220**
Surface Mining Commission			
Industrial Safety and Accident Prevention	-	-	-
State Agencies	-	-	-
Total Surface Mining Commission	-	-	-
Tax Tribunal			
Administrative Services	-	-	-
Total Tax Tribunal	-	-	-
Tennessee - Tombigbee Waterway Authority			
Water Resource Development	100	100	-
Total Tennessee - Tombigbee Waterway Authority	**100**	**100**	-
Tourism			
State Agencies	-	-	-
State Equipment	-	-	-
Tourism and Travel Promotion	2,509	2,509	-
Total Tourism	**2,509**	**2,509**	-
Veterans Affairs			
Administration of Veterans Affairs	1,947	1,376	571
State Agencies	-	-	-
Student Financial Aid	-	-	-
Veterans Cemetery	-	-	-
Veterans Homes	-	-	-
Total Veterans Affairs	**1,947**	**1,376**	**571**
Veterinarian Medical Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Veterinarian Medical Examiners Board	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	8,232	5,411	2,821	8,232	5,411	2,821
-	-	-	1,783	1,783	-	1,783	1,783	-
-	-	-	3,228	3,228	-	3,228	3,228	-
-	-	-	100	100	-	100	100	-
-	**-**	**-**	**13,343**	**10,522**	**2,821**	**13,343**	**10,522**	**2,821**
4,516	4,516	-	-	-	-	4,516	4,516	-
4,516	4,506	10	-	-	-	4,516	4,506	10
5,000	5,000	-	-	-	-	5,000	5,000	-
14,032	**14,022**	**10**	**-**	**-**	**-**	**14,032**	**14,022**	**10**
-	-	-	2,320	1,928	392	2,320	1,928	392
-	**-**	**-**	**2,320**	**1,928**	**392**	**2,320**	**1,928**	**392**
-	-	-	23,189	17,452	5,737	23,189	17,452	5,737
-	**-**	**-**	**23,189**	**17,452**	**5,737**	**23,189**	**17,452**	**5,737**
-	-	-	11	11	-	11,448	11,091	357
-	**-**	**-**	**11**	**11**	**-**	**11,448**	**11,091**	**357**
350	235	115	-	-	-	1,512	1,177	335
350	**235**	**115**	**-**	**-**	**-**	**1,512**	**1,177**	**335**
-	-	-	4,865	2,409	2,456	4,865	2,409	2,456
-	-	-	30	30	-	30	30	-
-	**-**	**-**	**4,895**	**2,439**	**2,456**	**4,895**	**2,439**	**2,456**
-	-	-	1,461	738	723	1,461	738	723
-	**-**	**-**	**1,461**	**738**	**723**	**1,461**	**738**	**723**
-	-	-	-	-	-	100	100	-
-	**-**	**-**	**-**	**-**	**-**	**100**	**100**	**-**
-	-	-	220	220	-	220	220	-
-	-	-	7	7	-	7	7	-
-	-	-	22,250	14,714	7,536	24,759	17,223	7,536
-	**-**	**-**	**22,477**	**14,941**	**7,536**	**24,986**	**17,450**	**7,536**
2,584	2,461	123	6,863	3,358	3,505	11,394	7,195	4,199
-	-	-	2,063	2,063	-	2,063	2,063	-
80,000	55,480	24,520	-	-	-	80,000	55,480	24,520
-	-	-	778	452	326	778	452	326
-	-	-	85,728	56,613	29,115	85,728	56,613	29,115
82,584	**57,941**	**24,643**	**95,432**	**62,486**	**32,946**	**179,963**	**121,803**	**58,160**
-	-	-	656	586	70	656	586	70
-	**-**	**-**	**656**	**586**	**70**	**656**	**586**	**70**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Women's Commission			
Employment and Social Opportunities	9	9	-
Total Women's Commission	**9**	**9**	**-**
TOTAL Other	**308,417**	**255,070**	**53,347**
TOTAL EXPENDITURES	**$ 1,906,251**	**$ 1,734,438**	**$ 171,813**
TRANSFERS OUT:			
Education Trust Fund Transfers			
Advancement in Tech Fund Transfer	-	-	-
Alabama Broadband Accessibility Funds	-	-	-
Alabama Commission on Higher Education	-	-	-
Budget Stabilization Transfer	-	-	-
Child Abuse Board	-	-	-
Department of Rehabilitation Services	-	-	-
Historical Commission	-	-	-
Human Resources	-	-	-
Mental Health	-	-	-
PACT Program	-	-	-
Public School Fund Endowment	-	-	-
State Department of Education- Science in Motion	-	-	-
State Law Enforcement	-	-	-
Supercomputer Authority	-	-	-
Youth Services	-	-	-
TOTAL Education Trust Fund Transfers	**-**	**-**	**-**
General Fund Transfers			
Agricultural and Conservation Development Commission	331	331	-
Alabama Department of Environmental Management-Operations	4,007	4,007	-
Building Renovation Finance Authority	1,541	1,541	-
Child Abuse Board	115	115	-
Conservation	600	600	-
Constitutional Amendment 856 Repayment	13,500	13,500	-
Crime Victims Compensation Commission	100	100	-
District Attorney	27,660	27,660	-
Emergency Forest Fire Fund	250	250	-
Emergency Prisoner Feeding Fund	500	500	-
Fair Trial Tax Transfer	68,500	68,500	-
Forestry Commission	9,270	9,270	-
General Fund Budget Reserve Fund	5,000	5,000	-
Governor's Mansion Authority	300	300	-
Health Dept. CHIP - GF Transfer	35,000	35,000	-
Historical Commission	2,663	2,663	-
Human Resources	76,375	76,375	-
Local Emergency Management Agency Assistance	330	330	-
Mental Health	130,901	130,901	-
Revenue Department	250	250	-
State Business Systems	11,000	11,000	-
State Law Enforcement	59,809	59,809	-
Surface Mining Commission	487	487	-
Wynfield	226	226	-
Youth Services	6,705	6,705	-
TOTAL General Fund Transfers	**455,420**	**455,420**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	20	1	19	29	10	19
-	**-**	**-**	**20**	**1**	**19**	**29**	**10**	**19**
413,691	**378,586**	**35,105**	**3,196,638**	**2,006,929**	**1,189,709**	**3,918,746**	**2,640,585**	**1,278,161**
$ 6,898,609	**$ 6,840,279**	**$ 58,330**	**$22,035,317**	**$16,978,585**	**$ 5,056,732**	**$30,840,177**	**$25,553,302**	**$ 5,286,875**
515,086	515,086	-	-	-	-	515,086	515,086	-
25,000	25,000	-	-	-	-	25,000	25,000	-
4,725	4,725	-	-	-	-	4,725	4,725	-
368,169	368,169	-	-	-	-	368,169	368,169	-
2,505	2,505	-	-	-	-	2,505	2,505	-
250	250	-	-	-	-	250	250	-
2,042	2,042	-	-	-	-	2,042	2,042	-
31,424	31,424	-	-	-	-	31,424	31,424	-
56,866	56,866	-	-	-	-	56,866	56,866	-
60,738	60,738	-	-	-	-	60,738	60,738	-
533	533	-	-	-	-	533	533	-
1,584	1,584	-	-	-	-	1,584	1,584	-
580	580	-	-	-	-	580	580	-
15,900	15,900	-	-	-	-	15,900	15,900	-
57,154	57,154	-	-	-	-	57,154	57,154	-
1,142,556	**1,142,556**	**-**	**-**	**-**	**-**	**1,142,556**	**1,142,556**	**-**
-	-	-	-	-	-	331	331	-
-	-	-	-	-	-	4,007	4,007	-
-	-	-	-	-	-	1,541	1,541	-
-	-	-	-	-	-	115	115	-
-	-	-	-	-	-	600	600	-
-	-	-	-	-	-	13,500	13,500	-
-	-	-	-	-	-	100	100	-
-	-	-	-	-	-	27,660	27,660	-
-	-	-	-	-	-	250	250	-
-	-	-	-	-	-	500	500	-
-	-	-	-	-	-	68,500	68,500	-
-	-	-	-	-	-	9,270	9,270	-
-	-	-	-	-	-	5,000	5,000	-
-	-	-	-	-	-	300	300	-
-	-	-	-	-	-	35,000	35,000	-
-	-	-	-	-	-	2,663	2,663	-
-	-	-	-	-	-	76,375	76,375	-
-	-	-	-	-	-	330	330	-
-	-	-	-	-	-	130,901	130,901	-
-	-	-	-	-	-	250	250	-
-	-	-	-	-	-	11,000	11,000	-
-	-	-	-	-	-	59,809	59,809	-
-	-	-	-	-	-	487	487	-
-	-	-	-	-	-	226	226	-
-	-	-	-	-	-	6,705	6,705	-
-	**-**	**-**	**-**	**-**	**-**	**455,420**	**455,420**	**-**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
TOTAL TRANSFERS OUT	**$ 455,420**	**$ 455,420**	**$ -**
TOTAL EXPENDITURES AND TRANSFERS OUT	**$ 2,361,671**	**$ 2,189,858**	**$ 171,813**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
$ 1,142,556	$ 1,142,556	$ -	$ -	$ -	$ -	$ 1,597,976	$ 1,597,976	$ -
$ 8,041,165	$ 7,982,835	$ 58,330	$22,035,317	$16,978,585	$ 5,056,732	$32,438,153	$27,151,278	$ 5,286,875

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES

Governmental Funds in State Treasury - Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

TAXES		
General Sales Tax (4% on gross retail sale of merchandise)	$ 2,531,188	9.7 %
General Use Tax	625,711	2.4 %
Income Tax (2% to 5% personal income, 6.5% net corporate income)	4,701,203	18.1 %
Property Tax Relief (represents portion of Income Tax used to offset property taxes lost in certain funds due to homestead exemptions)	58,137	0.2 %
General Property Tax (6 1/2 mills for state on varying rates not over 30%)	392,905	1.5 %
Gasoline Taxes (24¢ per gallon; 9.5¢ aviation; 3.5¢ jet)	564,042	2.2 %
Utilities Tax (6% telephone, 4% other)	402,160	1.5 %
Insurance Premium Tax (1% to 6%)	429,722	1.7 %
Liquor & Wine Tax (totals 56%, collected by ABC stores)	166,452	0.6 %
Tobacco & Cigarette Taxes (21.25 mills per cigarette; varying amounts on cigars, smoking tobacco, snuff, etc.)	172,702	0.7 %
Corporation Taxes (privilege, 25¢ to $1.75 per $1,000 net worth; permit, entrance fees for filing)	129,814	0.5 %
State Beer Tax (5¢ per 12 oz.)	51,487	0.2 %
Public Utilities (2.2%)	160,256	0.6 %
Motor Fuel Tax (diesel 25¢ per gallon)	205,457	0.8 %
Tennessee Valley Authority (payments in-lieu of all state taxes)	78,617	0.3 %
Leasing / Renting Tangible Personal Property - (4% most items, 1.5% vehicles, 2% garments)	83,801	0.3 %
Production Privilege Tax (Oil & Gas Severance at amounts varying 2-8%)	23,882	0.1 %
Financial Institutions Excise Tax (6.5% of net income of banks and other financial institutions)	74,007	0.3 %
Documentary Filing Taxes (auto title, deed, mortgage, securities, etc)	88,449	0.3 %
Coal Severance Tax (33.5¢ per ton)	3,738	0.0 %
Forestry Severance Tax	5,665	0.0 %
Inheritance Tax (amount of federal credit)	10	0.0 %
Contractors Gross Receipts Tax (5% of gross receipts)	42,719	0.2 %
Lodgings Tax (4% or 5% of charge)	69,209	0.3 %
Hydroelectric Companies (tax on 2/5 mill per kilowatt hour and 2.2% per dollar gross receipts)	5	0.0 %
Lubricating Oil Tax (6¢ per gallon)	1,588	0.0 %
Pari-mutuel Betting (1 or 2% on pari-mutuel pools)	2,176	0.0 %
Court Cost Taxes	18,663	0.1 %
Medicaid Taxes	421,191	1.6 %
Cellular Telephones (6%)	26,741	0.1 %
Vapor Products	2,199	0.0 %
Miscellaneous Taxes	19,705	0.1 %
TOTAL TAXES	**11,553,601**	**44.4 %**

LICENSES AND FEES		
Conservation Licenses (fishing, hunting, boat registration, etc)	34,959	0.1 %
Drivers Licenses and Fees	65,388	0.3 %
Petroleum Products Inspection Fees (.00025¢ to 15¢ per gallon)	57,021	0.2 %
Agricultural Licenses and Fees	17,306	0.1 %
Wholesale Oil Company License	7,936	0.0 %
Motor Vehicle License ($23.00 on auto; up to $890.00 on trucks and up to $210.00 on buses)	183,112	0.7 %
Privilege License (fees for privilege of operating stores, factories, professions, businesses, etc)	119,566	0.5 %
Court Fees	65,215	0.3 %
Alcoholic Beverage Licenses	4,540	0.0 %
Insurance Corporation Licenses and Fees	1,326	0.0 %
Miscellaneous License and Fees	295,601	1.1 %
TOTAL LICENSES AND FEES	**851,970**	**3.3 %**
FINES AND FORFEITS		
Court Fines and Forfeits	17,779	0.1 %
Tobacco Settlement	103,383	0.4 %
Miscellaneous Fines and Forfeits	70,564	0.3 %
TOTAL FINES AND FORFEITS	**191,726**	**0.8 %**
INVESTMENT INCOME	**61,190**	**0.2 %**
FEDERAL REVENUES	**12,193,245**	**46.9 %**
OTHER REVENUES		
Rents and Royalties	79,160	0.3 %
Reimbursements	93,848	0.4 %
Sales of Property or Services	53,092	0.2 %
Contributions	31,676	0.1 %
Intragovernmental Services	281,310	1.1 %
Local Revenues	47,991	0.2 %
Medicaid CPE/IGT Revenues	318,497	1.2 %
Miscellaneous Revenues	254,446	1.0 %
TOTAL OTHER REVENUES	**1,160,020**	**4.5 %**
TOTAL REVENUES	**$ 26,011,752**	**100 %**

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES AND DISTRIBUTIONS OF REVENUES

Governmental Funds in State Treasury - Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Total Revenues	Admin-istrative Expense	Net Revenues	Human Resources Funds	General Fund	Public School Fund	Education Trust Fund	Alabama Trust Fund
TAXES								
General Sales Tax	$ 2,531,188	$ 86,750	$ 2,444,438	$ 67,799	$ 136,963	$ —	$ 2,084,983	0
General Use Tax	625,711	3,986	621,725	500	389,969	—	230,108	—
Income Tax	4,701,203	44,036	4,657,167	—	—	—	4,657,167	—
Property Tax Relief	58,137	—	58,137	8,586	23,792	25,759	—	—
General Property Tax	392,905	5,463	387,442	58,571	149,827	179,044	—	—
Gasoline Taxes	564,042	13,056	550,986	—	—	—	—	—
Utilities Tax	402,160	313	401,847	—	—	—	387,247	—
Insurance Premium Tax	429,722	—	429,722	—	393,193	—	30,993	—
Liquor & Wine Tax	166,452	—	166,452	59,700	83,234	—	—	—
Tobacco & Cigarette Taxes	172,702	441	172,261	2,389	159,100	—	—	—
Corporation Taxes	129,814	—	129,814	—	90,013	—	—	—
State Beer Tax	51,487	—	51,487	10,297	15,446	—	20,595	—
Public Utilities	160,256	—	160,256	—	24,345	—	—	—
Motor Fuel Tax	205,457	1,483	203,974	—	—	—	—	—
Tennessee Valley Authority	78,617	—	78,617	—	(1,482)	—	—	—
Leasing/Renting Personal Property	83,801	—	83,801	—	83,801	—	—	—
Production Privilege Tax	23,882	—	23,882	—	18,844	—	—	—
Financial Institutions Excise Tax	74,007	—	74,007	—	35,262	—	—	—
Documentary Filing Taxes	88,449	560	87,889	—	87,889	—	—	—
Coal Severance Tax	3,738	—	3,738	—	—	—	—	—
Forestry Severance Tax	5,665	291	5,374	—	—	—	—	—
Inheritance Tax	10	—	10	—	10	—	—	—
Contractors Gross Receipts Tax	42,719	37	42,682	6,392	—	—	—	—
Lodgings Tax	69,209	36	69,173	—	49,949	—	—	—
Hydroelectric Companies	5	—	5	—	—	—	2	—
Lubricating Oil Tax	1,588	13	1,575	—	532	—	—	—
Pari-mutuel Betting	2,176	—	2,176	—	2,176	—	—	—
Court Cost Taxes	18,663	—	18,663	—	5,434	—	—	—
Medicaid Provider Taxes	421,191	224	420,967	—	—	—	—	—
Cellular Telephone Tax	26,741	—	26,741	—	15,109	—	9,804	—
Vapor Products	2,199	—	2,199	—	2,199	—	—	—
Miscellaneous Taxes	19,705	334	19,371	—	5,057	1	—	—
TOTAL TAXES	**11,553,601**	**157,023**	**11,396,578**	**214,234**	**1,770,662**	**204,804**	**7,420,899**	**0**
LICENSES AND FEES								
Conservation Licenses	34,959	—	34,959	—	—	—	—	—
Drivers Licenses and Fees	65,388	—	65,388	—	32,921	—	—	—
Petroleum Products Inspection Fee	57,021	—	57,021	—	—	—	—	—
Agricultural License and Fees	17,306	—	17,306	—	—	10	—	—
Wholesale Oil Company License	7,936	—	7,936	—	7,936	—	—	—
Motor Vehicle License	183,112	10,607	172,505	—	46,773	—	—	—
Privilege License	119,566	2,013	117,553	—	23,072	—	72	—
Court Fees	65,215	—	65,215	—	38,294	—	—	—
Alcoholic Beverage Licenses	4,540	—	4,540	—	4,540	—	—	—
Insurance Corp Licenses and Fees	1,326	—	1,326	—	620	—	—	—
Miscellaneous License and Fees	295,601	999	294,602	518	10,746	—	35	—
TOTAL LICENSES AND FEES	**851,970**	**13,619**	**838,351**	**518**	**164,902**	**10**	**107**	**0**
FINES AND FORFEITS								
Court Fines and Forfeits	17,779	—	17,779	—	10,797	—	—	—
Tobacco Settlement	103,383	—	103,383	—	1	—	—	—
Miscellaneous Fines and Forfeits	70,564	—	70,564	24	1,210	—	—	—
TOTAL FINES AND FORFEITS	**191,726**	**0**	**191,726**	**24**	**12,008**	**0**	**0**	**0**
INVESTMENT INCOME	**61,190**	**—**	**61,190**	**—**	**48,698**	**—**	**—**	**115**
FEDERAL REVENUES	**12,193,245**	**—**	**12,193,245**	**1,962,849**	**61**	**—**	**2**	**—**
MEDICAID CPE/IGT REVENUES	318,497	—	318,497	—	—	—	—	—
MISCELLANEOUS REVENUES	841,523	7,307	834,216	10,074	587	1,043	205	25,795
TOTAL REVENUES	**$26,011,752**	**$ 177,949**	**$25,833,803**	**$ 2,187,699**	**$1,996,918**	**$205,857**	**$ 7,421,213**	**$ 25,910**

Distributed To Local Government	Debt Service Funds	Medicaid	Transportation Department	Health General & Mental	Education Department	Economic & Community Affairs	Other	Distribution of Other Amounts
$ 6,595	$140,101	$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,997	State Parks
—	—	—	—	—	—	—	1,148	Conservation Dept.
—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
224,645	—	—	215,898	—	—	—	110,443	Rebuild Ala Fund 96M, Conservation 2.7M, AHFC 9M
—	—	—	—	14,600	—	—	—	
—	—	—	—	4,525	—	—	1011	Insurance Dept
—	—	—	—	23,518	—	—	—	
—	1,711	—	—	6,672	—	—	2,389	State Parks
39,795	—	—	—	—	—	—	6	Secretary of State
5,149	—	—	—	—	—	—	—	
—	—	—	—	135,911	—	—	—	
18,240	—	—	152,011	—	—	—	33,723	Rebuild Ala Fund 31M
65,252	—	—	—	—	—	—	14,847	Incentives Fin Auth
—	—	—	—	—	—	—	—	
5,038	—	—	—	—	—	—	—	
38,745	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
2,226	—	—	—	—	—	—	1,512	Docks Facilities Fund
—	—	—	—	—	—	—	5,374	Forestry
—	—	—	—	—	—	—	—	
—	—	—	—	36,290	—	—	—	
2,574	—	—	—	—	—	—	16,650	Tourism
—	—	—	—	3	—	—	—	
570	—	—	473	—	—	—	—	
—	—	—	—	—	—	—	—	
—	—	—	—	—	1,777	—	11,452	Fair Trial Fd 10M, ACCS 1M
—	—	420,967	—	—	—	—	—	
—	1,828	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
—	—	—	31	—	—	—	14,282	Labor 4.4M; ADEM 8M
408,829	**143,640**	**420,967**	**368,413**	**221,519**	**1,777**	**0**	**220,834**	
—	—	—	—	—	—	—	34,959	Conservation 29M, ALEA 6M
1,519	—	—	—	—	—	—	30,948	ALEA
8,851	—	—	42,932	—	—	—	5,238	Agriculture
—	—	—	—	54	—	—	17,242	Agriculture
—	—	—	—	—	—	—	—	
23,974	—	—	96,896	—	—	—	4,862	Corrections 3.3M
—	—	—	4,273	4,280	751	2,008	83,097	Prof Occup Bds 36M; ADEM 4.7M; Insurance 22M
—	—	—	—	73	—	—	26,848	AOC 16; DFS 6.6M
—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	706	Insurance Dept
237	—	11	1,368	144,021	—	69	137,597	ADEM 62M; Finance 7M; Parole 9M;Bank 17M; PSC 16M
34,581	**0**	**11**	**145,469**	**148,428**	**751**	**2,077**	**341,497**	
—	—	—	—	65	—	1,142	5,775	DOC 1.6M; DFS 1.8M
—	—	—	—	—	—	—	103,382	21st Century Fund
1	—	1,595	—	—	—	—	67,734	AL Econ Settle Auth 53M; ALEA 4M; Atty Gen 3M
1	**0**	**1,595**	**0**	**65**	**0**	**1,142**	**176,891**	
—	**335**	**90**	**911**	**—**	**—**	**84**	**10,957**	Finance 2M; Snr Svc Trst 1M; FAHFA 1M
1,572	**4,546**	**5,385,780**	**919,795**	**482,553**	**941,284**	**178,527**	**2,316,276**	CRF 1.786B; DRS 76M; Mil 54M; DOT 34M; Sen Svcs 32M
—	—	318,497	—	—	—	—	—	
—	23,499	191,002	253,896	29,182	8,793	4,714	285,426	Cons 108M; Uncl Prop 66M; Sen Svcs 27M; AOC 16M
$ 444,983	**$172,020**	**$6,317,942**	**$ 1,688,484**	**$ 881,747**	**$ 952,605**	**$ 186,544**	**$3,351,881**	

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

Nonmajor Enterprise Funds

Nonmajor Enterprise Funds are used to account for the operations of State funds that provide goods and services to external users in a manner similar to private business enterprises. The cost of providing the goods or services are recovered primarily through user charges.

State Insurance Fund
Accounts for resources used to provide insurance coverage for State buildings, school buildings, and their contents.

Fire College and Personnel Standards Commission
Develops and delivers training courses and administers the process of fire service certification in the State.

Motor Sports Hall Of Fame
Operates a public exhibit displaying the history of automotive racing and other motor sports.

Corrections Canteen
Accounts for the activity of the canteen funds of the Department of Corrections.

Military Department
Accounts for the Military Department's billeting activity and the canteen funds for the National Guard.

COMBINING STATEMENT OF NET POSITION
Nonmajor Enterprise Funds

September 30, 2020

(Amounts in Thousands)

	State Insurance Fund	Fire College and Personnel Standards Commission	Motor Sports Hall of Fame	Corrections Canteen
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 3,177	$ 2,673	$ 180	$ 991
Investments, Short-term	10,658	5,359	—	—
Due From Other Funds	854	—	—	—
Accounts Receivable	6,175	997	—	284
Inventory	—	130	—	1,121
Other Current Assets	22,072	—	—	—
Total Current Assets	**42,936**	**9,159**	**180**	**2,396**
Non current Assets				
Investments, Long-term	123,598	—	—	—
Due From Other Funds	5,514	—	—	—
Due From Component Units	10	—	—	—
Other Noncurrent Assets	—	24	13	—
Capital Assets, Net of Accumulated Depreciation	—	8,234	210	—
Capital Assets Not Depreciated	—	—	2,630	—
Total Non current Assets	**129,122**	**8,258**	**2,853**	**0**
TOTAL ASSETS	**172,058**	**17,417**	**3,033**	**2,396**
DEFERRED OUTFLOWS OF RESOURCES	**0**	**1,222**	**10**	**0**
LIABILITIES				
Current Liabilities				
Warrants Payable	755	—	—	—
Due To Other Funds	—	—	—	705
Accounts Payable	272	608	17	205
Due To Other Governments	1	—	—	—
Claims Payable	28,649	—	—	—
Unearned Revenue	—	158	—	—
Compensated Absences	—	11	—	—
Total Current Liabilities	**29,677**	**777**	**17**	**910**
Non current Liabilities				
Claims Payable	551	—	—	—
Compensated Absences	—	355	—	—
Net OPEB Liability	—	1,240	56	—
Net Pension Liability	—	4,050	—	—
Notes and Capital Leases Payable	—	—	940	—
Total Non current Liabilities	**551**	**5,645**	**996**	**0**
TOTAL LIABILITIES	**30,228**	**6,422**	**1,013**	**910**
DEFERRED INFLOWS OF RESOURCES	**0**	**2,008**	**52**	**0**
NET POSITION				
Net Investment in Capital Assets	—	8,234	1,900	—
Restricted for:				
Education	—	1,975	—	—
Unrestricted	141,830	—	78	1,486
TOTAL NET POSITION	**$ 141,830**	**$ 10,209**	**$ 1,978**	**$ 1,486**

Military Department	Totals
$ 2,267	$ 9,288
—	16,017
—	854
5	7,461
166	1,417
—	22,072
2,438	**57,109**
—	123,598
—	5,514
—	10
—	37
1,426	9,870
—	2,630
1,426	**141,659**
3,864	**198,768**
70	**1,302**
1	756
—	705
65	1,167
2	3
—	28,649
—	158
2	13
70	**31,451**
—	551
24	379
278	1,574
269	4,319
—	940
571	**7,763**
641	**39,214**
269	**2,329**
1,426	11,560
—	1,975
1,598	144,992
$ 3,024	**$ 158,527**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)	State Insurance Fund	Fire College and Personnel Standards Commission	Motor Sports Hall of Fame	Corrections Canteen
OPERATING REVENUES				
Charges for Goods and Services	$ 0	$ 2,755	$ 18	$ 29,580
Premiums and Contributions	56,627	—	—	—
Rents and Leases	—	—	40	—
Total Revenues	**56,627**	**2,755**	**58**	**29,580**
OPERATING EXPENSES				
Salaries, Wages, and Benefits	—	4,834	80	—
Utilities and Communications	—	101	—	—
Professional Services	3,870	—	4	—
Supplies, Materials, and Operating Expense	40,432	3,093	44	17,299
Depreciation	—	649	45	—
Claims and Benefits	31,877	—	—	—
Other	—	—	7	—
Total Operating Expenses	**76,179**	**8,677**	**180**	**17,299**
Operating Income (Loss)	**(19,552)**	**(5,922)**	**(122)**	**12,281**
NONOPERATING REVENUES (EXPENSES)				
Investment Income	7,762	(179)	—	—
Other Nonoperating Revenues	5	8	238	—
Grants	—	1,309	—	—
Interest Expense	—	—	(54)	—
Other Nonoperating Expenses	(700)	—	—	—
Total Nonoperating Revenues (Expenses)	**7,067**	**1,138**	**184**	**0**
Income (Loss) Before Contributions and Transfers	**(12,485)**	**(4,784)**	**62**	**12,281**
Transfers In	1	5,392	—	—
Transfers Out	—	—	—	(11,827)
Increase (Decrease) in Net Position	**(12,484)**	**608**	**62**	**454**
Total Net Position, October 1, 2019, as Restated	154,314	9,601	1,916	1,032
Total Net Position, September 30, 2020	**$ 141,830**	**$ 10,209**	**$ 1,978**	**$ 1,486**

Military Department	Totals
$ 7,615	$ 39,968
—	56,627
1,034	1,074
8,649	**97,669**
258	5,172
77	178
41	3,915
7,424	68,292
107	801
—	31,877
17	24
7,924	**110,259**
725	**(12,590)**
—	7,583
—	251
54	1,363
—	(54)
—	(700)
54	**8,443**
779	**(4,147)**
—	5,393
(12)	(11,839)
767	**(10,593)**
2,257	169,120
$ 3,024	**$ 158,527**

STATE OF ALABAMA

COMBINING STATEMENT OF CASH FLOWS

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)	State Insurance Fund	Fire College and Personnel Standards Commission	Motor Sports Hall of Fame	Corrections Canteen
Cash Flows from Operating Activities:				
Receipts from Customer & User Charges	$ 61,714	$ 1,725	$ 255	$ 29,579
Receipts from Interfund Services	7,900	—	—	—
Receipts from Operating Grants	—	1,175	—	—
Receipts from Other Operating Activities	319	704	76	—
Payments for Goods Held for Resale	—	—	—	(17,388)
Payments for Other Goods & Services	(49,783)	(3,055)	(54)	(154)
Payments for Employees Services	—	(5,040)	(126)	—
Payments for Interfund Services	—	—	—	—
Payments for Other Operating Activities	(1,788)	—	(3)	—
Payments for Claims	(27,315)	—	—	—
Net Cash Provided by (Used In) Operating Activities	**(8,953)**	**(4,491)**	**148**	**12,037**
Cash Flows from Noncapital Financing Activities:				
Receipts from Noncapital Financing Grants & Donations	—	9	—	—
Transfers from Other Funds for Noncapital Financing	1	5,392	—	21
Transfers to Other Funds for Noncapital Financing	—	—	—	(12,177)
Net Cash Provided By (Used In) Noncapital Financing Activities	**1**	**5,401**	**0**	**(12,156)**
Cash Flows from Capital & Related Financing Activities:				
Receipts from Sale of Capital Assets & Insurance Proceeds	5	—	—	—
Payments to Acquire, Construct, & Improve Capital Assets	—	(612)	—	—
Principal Paid on Revenue Bonds & Other Capital Debt	—	—	(70)	—
Interest Paid on Revenue Bonds & Other Capital Debt	—	—	(54)	—
Net Cash Provided by (Used in) Capital and Related Financing Activities	**5**	**(612)**	**(124)**	**0**
Cash Flows From Investing Activities				
Receipts from Sales & Maturities of Investments	25,100	3,352	—	—
Receipts from Interest & Dividends on Investments & Loans	955	69	—	—
Purchase of Investments	(20,064)	(4,391)	—	—
Net Cash Provided By (Used In) Investing Activities	**5,991**	**(970)**	**0**	**0**
Net Increase (Decrease) In Cash and Cash Equivalents	**(2,956)**	**(672)**	**24**	**(119)**
Cash Balance as Restated, October 1, 2019	5,378	3,345	156	1,110
Cash Balance, September 30, 2020	**2,422**	**2,673**	**180**	**991**
Add: Warrants Payable	755	—	—	—
Cash and Cash Equivalents, as Reported on Statement of Net Position	**$ 3,177**	**$ 2,673**	**$ 180**	**$ 991**

Military Department	Totals
$ 8,657	$ 101,930
—	7,900
—	1,175
54	1,153
—	(17,388)
(7,531)	(60,577)
(404)	(5,570)
(17)	(17)
—	(1,791)
—	(27,315)
759	**(500)**
—	9
—	5,414
(12)	(12,189)
(12)	**(6,766)**
—	5
(698)	(1,310)
—	(70)
—	(54)
(698)	**(1,429)**
—	28,452
—	1,024
—	(24,455)
0	**5,021**
49	**(3,674)**
2,217	12,206
2,266	**8,532**
1	756
$ 2,267	**$ 9,288**

Continued on next page...

STATE OF ALABAMA

COMBINING STATEMENT OF CASH FLOWS (Continued from Previous Page)

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)	State Insurance Fund	Fire College and Personnel Standards Commission	Motor Sports Hall of Fame	Corrections Canteen
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	**$ (19,552)**	**$ (5,922)**	**$ (122)**	**$ 12,281**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Due from Other Funds	1,124	—	—	—
Accounts Receivable	1,110	(402)	—	12
Inventory	—	(47)	—	89
Other Assets	(4,864)	(4)	6	—
Deferred Outflows of Resources	—	(81)	(6)	—
Due to Other Funds	—	—	—	—
Accounts Payable	54	58	—	—
Claims Payable	13,872	—	—	—
Unearned Revenue	—	(58)	—	—
Compensated Absences	—	57	—	—
Net Pension Liability	—	257	—	—
Net OPEB Liability	—	(1,372)	(39)	—
Deferred Inflows of Resources	—	1,065	27	—
Depreciation	—	649	45	—
Nonoperating Revenues	—	1,309	237	—
Nonoperating Expenses	(697)	—	—	(345)
Total Adjustments	**10,599**	**1,431**	**270**	**(244)**
Net Cash Provided (Used) by Operating Activities	**$ (8,953)**	**$ (4,491)**	**$ 148**	**$ 12,037**
Noncash Investing, Capital, and Financing Activities				
Increase (Decrease):				
Disposals and Other Reductions to Capital Assets	—	(489)	—	—
Capital Assets Acquired on Account	—	—	—	—
Interest Accruals and Other Adjustments	2,787	—	—	—
Unrealized Gains (Losses) in Investment Fair Value	4,139	—	—	—

Military Department	Totals
$ 725	**$ (12,590)**
—	1,124
—	720
(7)	35
—	(4,862)
(16)	(103)
—	—
11	123
—	13,872
—	(58)
4	61
3	260
(268)	(1,679)
130	1,222
107	801
55	1,601
15	(1,027)
34	**12,090**
$ 759	**$ (500)**
—	(489)
(4)	(4)
—	2,787
—	4,139

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

Internal Service Funds

Internal Service Funds account for the operation of State funds which provide goods and services primarily to other State funds on a cost-reimbursement basis.

Telecommunications Fund
Provides for the coordination and promotion of efficiency in the acquisition, operation and maintenance of telecommunications and computer equipment, services, systems, and networks used by state agencies.

Service Division Funds
Accounts for various services provided to State agencies including janitorial services, motor pool, mail services, and building maintenance.

Correctional Industries
Accounts for the manufacturing activities of the State's correctional facilities.

Building Renovation Finance Authority
Accounts for the rental and maintenance of the buildings in the State Capitol Complex.

Risk Management
Accounts for resources used to provide insurance coverage for State employees against work related injuries as well as employment-related liability claims.

State Motor Pool
Accounts for motor pool services provided to State agencies.

Other Internal Service Funds
Account for other small internal service funds operated by the Finance and Military Departments.

STATE OF ALABAMA

COMBINING STATEMENT OF NET POSITION

Internal Service Funds

September 30, 2020

(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 14,409	$ 392	$ 9,254	$ 38,108	$ 5,204
Investments, Short-term	—	—	—	—	25,480
Due From Other Funds	6,859	1,107	1,409	888	266
Due From Component Units	60	21	2	—	—
Accounts Receivable	186	65	1	4	435
Inventory	—	468	4,017	—	—
Total Current Assets	**21,514**	**2,053**	**14,683**	**39,000**	**31,385**
Noncurrent Assets					
Investments, Long-term	—	—	—	—	130,574
Capital Assets, Net of Accumulated Depreciation	13,443	867	1,824	66,196	361
Capital Assets Not Depreciated	—	—	544	4,391	—
Total Noncurrent Assets	**13,443**	**867**	**2,368**	**70,587**	**130,935**
TOTAL ASSETS	**34,957**	**2,920**	**17,051**	**109,587**	**162,320**
DEFERRED OUTFLOWS OF RESOURCES	**2,803**	**305**	**946**	**1,370**	**1,248**
LIABILITIES					
Current Liabilities					
Warrants Payable	69	—	37	26	108
Due To Other Funds	721	70	15	168	424
Due To Component Units	13	—	—	—	424
Accounts Payable	16,184	90	979	1,792	1,657
Due To Other Governments	—	—	6	75	—
Claims Payable	—	—	—	—	3,210
Unearned Revenue	27	—	—	—	—
Funds Held in Escrow	—	—	—	—	199
Compensated Absences	151	7	51	33	42
Notes and Capital Leases Payable	4,262	—	—	—	—
Revenue Bonds Payable	—	—	—	2,195	—
Total Current Liabilities	**21,427**	**167**	**1,088**	**4,289**	**6,064**
Noncurrent Liabilities					
Claims Payable	—	—	—	—	102,188
Compensated Absences	1,621	73	547	352	449
Net OPEB Liability	6,503	1,125	2,966	3,593	3,375
Net Pension Liability	17,862	1,296	4,828	4,615	7,207
Notes and Capital Leases Payable	4,379	—	—	—	—
Revenue Bonds Payable	—	—	—	7,753	—
Total Noncurrent Liabilities	**30,365**	**2,494**	**8,341**	**16,313**	**113,219**
TOTAL LIABILITIES	**51,792**	**2,661**	**9,429**	**20,602**	**119,283**
DEFERRED INFLOWS OF RESOURCES	**6,358**	**1,090**	**2,881**	**3,483**	**3,288**
NET POSITION					
Net Investment in Capital Assets	4,802	867	2,368	60,986	361
Unrestricted	(25,192)	(1,393)	3,319	25,886	40,636
TOTAL NET POSITION	**$ (20,390)**	**$ (526)**	**$ 5,687**	**$ 86,872**	**$ 40,997**

State Motor Pool	Other Internal Service Funds	Totals
$ 514	$ 29,798	$ 97,679
—	—	25,480
171	2,997	13,697
5	21	109
1	35	727
—	—	4,485
691	**32,851**	**142,177**
—	—	130,574
823	808	84,322
—	—	4,935
823	**808**	**219,831**
1,514	**33,659**	**362,008**
206	**3,006**	**9,884**
2	2	244
41	329	1,768
—	—	437
373	2,029	23,104
—	2	83
—	—	3,210
—	—	27
—	—	199
—	167	451
—	—	4,262
—	—	2,195
416	**2,529**	**35,980**
—	—	102,188
—	1,795	4,837
618	7,389	25,569
1,096	18,508	55,412
—	—	4,379
—	—	7,753
1,714	**27,692**	**200,138**
2,130	**30,221**	**236,118**
601	**7,214**	**24,915**
823	808	71,015
(1,834)	(1,578)	39,844
$ (1,011)	**$ (770)**	**$ 110,859**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Internal Service Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
OPERATING REVENUES					
Charges for Goods and Services	$ 79,154	$ 7,430	$ 11,224	$ 1,039	$ 3,497
Premiums and Contributions	—	—	—	—	24,093
Rents and Leases	—	—	0	18,207	—
Total Operating Revenues	**79,154**	**7,430**	**11,224**	**19,246**	**27,590**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	10,254	829	4,167	3,930	5,448
Utilities and Communications	14,163	111	810	3,516	57
Professional Services	36,446	279	157	2,671	4,767
Supplies, Materials, and Operating Expense	9,419	5,781	7,470	956	523
Interest	352	—	—	—	—
Depreciation	4,477	200	183	3,476	63
Claims and Benefits	—	—	—	—	23,200
Other	2,664	311	775	2,852	114
Total Operating Expenses	**77,775**	**7,511**	**13,562**	**17,401**	**34,172**
Operating Income (Loss)	**1,379**	**(81)**	**(2,338)**	**1,845**	**(6,582)**
NONOPERATING REVENUES (EXPENSES)					
Investment Income	—	—	—	—	7,832
Other Nonoperating Revenues	4	5	52	438	76
Interest Expense	—	—	—	(384)	—
Other Nonoperating Expenses	(341)	(41)	(59)	(748)	(570)
Total Nonoperating Revenues (Expenses)	**(337)**	**(36)**	**(7)**	**(694)**	**7,338**
Income (Loss) Before Contributions and Transfers	**1,042**	**(117)**	**(2,345)**	**1,151**	**756**
Capital Contributions	—	—	—	—	—
Transfers In	1,323	57	4,368	4,866	3,831
Transfers Out	(58)	(8)	(30)	(2,955)	(3,675)
Increase (Decrease) in Net Position	**2,307**	**(68)**	**1,993**	**3,062**	**912**
Total Net Position, October 1, 2019, as Restated	(22,697)	(458)	3,694	83,810	40,085
Total Net Position, September 30, 2020	**$ (20,390)**	**$ (526)**	**$ 5,687**	**$ 86,872**	**$ 40,997**

State Motor Pool	Other Internal Service Funds	Totals
$ 1,437	$ 26,034	$ 129,815
—	—	24,093
—	—	18,207
1,437	**26,034**	**172,115**
804	10,322	35,754
33	270	18,960
23	12,742	57,085
106	1,582	25,837
—	—	352
118	124	8,641
—	—	23,200
1,252	1,722	9,690
2,336	**26,762**	**179,519**
(899)	**(728)**	**(7,404)**
—	—	7,832
164	414	1,153
—	—	(384)
—	(84)	(1,843)
164	**330**	**6,758**
(735)	**(398)**	**(646)**
—	4	4
214	15,184	29,843
—	(57)	(6,783)
(521)	**14,733**	**22,418**
(490)	(15,503)	88,441
$ (1,011)	**$ (770)**	**$ 110,859**

COMBINING STATEMENT OF CASH FLOWS

Internal Service Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
Cash Flows from Operating Activities:					
Receipts from Customer & User Charges	$ 3,445	$ 5	$ 740	$ 34	$ 3,557
Receipts from Interfund Services	76,549	7,369	10,840	20,965	23,987
Receipts from Other Operating Activities	24	—	34	1	255
Payments for Goods Held for Resale	(150)	(5,850)	(8,467)	—	—
Payments for Other Goods & Services	(57,862)	(417)	(2,172)	(8,733)	(3,987)
Payments for Employees Services	(13,000)	(1,053)	(4,016)	(3,782)	(5,291)
Payments for Taxes, Fines, Penalties, & Similar Fees	—	—	(2)	—	—
Payments for Interfund Services	(4,674)	(413)	(391)	(1,093)	(1,426)
Payments for Other Operating Activities	(59)	—	(40)	—	(78)
Payments for Claims	—	—	—	—	(4,729)
Net Cash Provided by (Used In) Operating Activities	**4,273**	**(359)**	**(3,474)**	**7,392**	**12,288**
Cash Flows from Noncapital Financing Activities:					
Transfers from Other Funds for Noncapital Financing	1,159	57	4,304	4,735	3,830
Transfers to Other Funds for Noncapital Financing	(49)	(8)	(30)	(2,954)	(3,675)
Net Cash Provided By (Used In) Noncapital Financing Activities	**1,110**	**49**	**4,274**	**1,781**	**155**
Cash Flows from Capital & Related Financing Activities:					
Transfers from Other Funds for Capital Financing	—	—	—	—	—
Receipts from Sale of Capital Assets & Insurance Proceeds	6	9	5	13	6
Payments to Acquire, Construct, & Improve Capital Assets	(1,045)	(139)	(715)	(2,955)	(135)
Principal Paid on Revenue Bonds & Other Capital Debt	(4,186)	—	—	(2,110)	—
Interest Paid on Revenue Bonds & Other Capital Debt	(352)	—	—	(457)	—
Net Cash Provided by (Used in) Capital and Related Financing Activities	**(5,577)**	**(130)**	**(710)**	**(5,509)**	**(129)**
Cash Flows From Investing Activities					
Receipts from Sales & Maturities of Investments	—	—	—	—	8,750
Receipts from Interest & Dividends on Investments & Loans	—	—	—	—	28
Purchase of Investments	—	—	—	—	(22,278)
Net Cash Provided By (Used In) Investing Activities	**0**	**0**	**0**	**0**	**(13,500)**
Net Increase (Decrease) In Cash and Cash Equivalents	**(194)**	**(440)**	**90**	**3,664**	**(1,186)**
Cash Balance as Restated, October 1, 2019	14,534	832	9,127	34,418	6,282
Cash Balance, September 30, 2020	**14,340**	**392**	**9,217**	**38,082**	**5,096**
Add: Warrants Payable	69	—	37	26	108
Cash and Cash Equivalents, as Reported on Statement of Net Position	**$ 14,409**	**$ 392**	**$ 9,254**	**$ 38,108**	**$ 5,204**

State Motor Pool	Other Internal Service Funds	Totals
$ 148	$ 3,408	$ 11,337
1,566	22,940	164,216
—	359	673
—	(1)	(14,468)
(914)	(10,801)	(84,886)
(565)	(13,381)	(41,088)
—	—	(2)
(328)	(4,809)	(13,134)
(1)	(211)	(389)
—	—	(4,729)
(94)	**(2,496)**	**17,530**
—	13,271	27,356
—	(53)	(6,769)
0	**13,218**	**20,587**
—	1,900	1,900
173	1	213
(503)	(224)	(5,716)
—	—	(6,296)
—	—	(809)
(330)	**1,677**	**(10,708)**
—	—	8,750
—	—	28
—	—	(22,278)
0	**0**	**(13,500)**
(424)	**12,399**	**13,909**
936	17,397	83,526
512	**29,796**	**97,435**
2	2	244
$ 514	**$ 29,798**	**$ 97,679**

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS (Continued from Previous Page)
Internal Service Funds
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	**$ 1,379**	**$ (81)**	**$ (2,338)**	**$ 1,845**	**$ (6,582)**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Due from Other Funds	916	(56)	352	1,572	678
Accounts Receivable	94	—	—	—	(18)
Inventory	—	42	(823)	—	—
Deferred Outflows of Resources	(464)	(87)	(285)	(325)	(339)
Due to Other Funds	(1,738)	42	(19)	148	(265)
Accounts Payable	1,500	(301)	(1,011)	(113)	33
Claims Payable	—	—	—	—	18,533
Unearned Revenue	(27)	—	—	—	—
Compensated Absences	46	10	50	36	58
Net Pension Liability	230	97	597	460	837
Net OPEB Liability	(4,977)	(819)	(1,742)	(1,991)	(2,031)
Other Liabilities	—	—	—	1	—
Deferred Inflows of Resources	2,467	573	1,524	1,942	1,609
Operating Interest Expense	352	—	—	457	—
Depreciation	4,477	200	183	3,476	63
Nonoperating Revenues	25	—	38	341	164
Nonoperating Expenses	(7)	21	—	(457)	(452)
Total Adjustments	**2,894**	**(278)**	**(1,136)**	**5,547**	**18,870**
Net Cash Provided (Used) by Operating Activities	**$ 4,273**	**$ (359)**	**$ (3,474)**	**$ 7,392**	**$ 12,288**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Capital Assets Acquired by Capital Contribution	—	—	—	—	—
Disposals and Other Reductions to Capital Assets	(2,018)	(130)	(575)	(58)	(70)
Capital Assets Acquired on Account	55	—	71	216	—
Capital Asset Reassignments	(122)	—	—	(4)	—
Revenue Bond Amortizations and Other Debt Adjustments	—	—	—	73	—
Interest Accruals and Other Adjustments	—	—	—	—	3,343
Unrealized Gains (Losses) in Investment Fair Value	—	—	—	—	4,465
Transfers In (Out)	(156)	(1)	—	(129)	(1)

State Motor Pool	Other Internal Service Funds	Totals
$ (899)	**$ (728)**	**$ (7,404)**
491	579	4,532
—	16	92
—	—	(781)
(61)	(523)	(2,084)
(7)	(470)	(2,309)
177	740	1,025
—	—	18,533
—	—	(27)
—	160	360
148	400	2,769
(372)	(5,989)	(17,921)
—	—	1
311	2,873	11,299
—	—	809
118	124	8,641
—	389	957
—	(67)	(962)
805	**(1,768)**	**24,934**
$ (94)	**$ (2,496)**	**$ 17,530**
—	4	4
—	(97)	(2,948)
293	9	644
—	(1)	(127)
—	—	73
—	—	3,343
—	—	4,465
(214)	(13)	(514)

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

Pension and Other Employee Benefit Trust Funds

Pension and Other Employee Benefit Trust Funds account for the resources held in trust for members and retirement plans and other employee benefit plans administered by the State.

Employees' Retirement System
Accounts for a pension plan for the benefit of State employees, State police, and employees of other eligible governmental organizations such as cities and counties within the State.

Teachers' Retirement System
Accounts for a pension plan for the benefit of employees of State supported educational institutions.

Judicial Retirement Fund
Accounts for a pension plan for the benefit of judges of the State's Supreme Court, Court of Civil Appeals, Court of Criminal Appeals, and Circuit Court.

Peace Officers Annuity and Benefit
Provides pension benefits to State and local peace officers.

State Port Authority Hourly Plan
Is a retirement fund for certain hourly employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

State Port Authority Railway Plan
Is a retirement fund for certain employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

State Port Authority Hourly Defined Contribution
Is a defined contribution retirement plan for certain hourly employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

Alabama Deferred Compensation Fund
Accounts for resources contributed by State employees for a deferred compensation plan sponsored by the Personnel Board.

RSA Employee Savings Plans
Accounts for resources contributed by public employees for deferred compensation plans and individual retirement accounts sponsored by the Retirement Systems of Alabama.

Retired Education Employees' Health Care Trust
Provides post-employment health insurance benefits for retired employees of State supported educational institutions

Retired State Employees' Health Care Trust
Provides post-employment health insurance benefits for retired State employees.

Other Pension Funds
Accounts for small pension plans.

STATE OF ALABAMA

COMBINING STATEMENT OF PLAN NET POSITION
Pension and Other Employee Benefit Trust Funds

September 30, 2020

(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Judicial Retirement Fund	Peace Officers' Annuity and Benefits	State Port Authority Hourly Plan
ASSETS					
Cash and Cash Equivalents	$ 23,545	$ 65,689	$ 3,364	$ 356	$ 0
Investments					
U.S. Treasury Securities	411,122	812,734	20,140	3,782	4,003
U.S. Agency Securities	84,553	165,566	4,150	491	695
State and Local Government Securities	—	—	—	—	—
Mortgage Backed Securities	313,882	594,250	15,260	—	2,922
Corporate Stocks	7,197,425	14,202,366	160,978	—	3,199
Corporate Bonds	971,565	1,910,144	38,086	5,631	8,180
Real Estate	1,148,110	2,367,682	4,080	—	—
Commercial Paper	351,357	717,571	4,004	—	404
International Stocks	1,775,891	3,492,991	43,757	—	—
Guaranteed Investment Contracts	—	—	—	—	—
Mutual and Money Market Funds	783,592	1,349,032	23,431	18,754	1,404
Receivables					
Due From Other Funds	—	—	—	15	—
Employer Contributions Receivable	27,883	81,489	642	—	—
Member Contributions Receivable	13,501	47,445	166	—	—
Investment Sales Receivable	24,824	58,904	15	—	—
Accounts Receivable	34,917	69,025	931	79	92
Due From Other Governments	—	16	2	—	—
Mortgages, Notes, and Loans Receivable	—	—	—	—	—
Securities Lending Collateral	429,656	703,046	6,104	—	222
Other Assets	—	—	—	—	—
Capital Assets, Net of Accumulated Depreciation	43,772	99,373	—	31	—
Capital Assets not Depreciated	2,535	5,085	—	—	—
TOTAL ASSETS	**13,638,130**	**26,742,408**	**325,110**	**29,139**	**21,121**
Deferred Outflows Of Resources	**3,228**	**8,274**	**51**	**75**	**0**
LIABILITIES					
Warrants Payable	—	—	—	66	—
Investment Purchases Payable	26,120	48,668	28	—	—
Due To Other Funds	—	—	—	3	—
Accounts Payable	2,581	4,433	2	50	—
Due To Other Governments	—	—	—	—	—
Claims Payable	—	—	—	—	—
Securities Lending Obligation	429,656	703,046	6,104	—	222
Unearned Revenue	—	—	—	—	—
Compensated Absences	2,560	4,233	41	110	—
Net OPEB Liability	6,716	9,902	54	160	—
Net Pension Liability	16,713	24,246	322	496	—
Notes and Mortgages Payable	—	—	—	—	—
TOTAL LIABILITIES	**484,346**	**794,528**	**6,551**	**885**	**222**
Deferred Inflows Of Resources	**6,474**	**9,765**	**52**	**156**	**0**
NET POSITION					
Restricted for:					
Pensions	13,150,538	25,946,389	318,558	28,173	20,899
OPEB	—	—	—	—	—
Other Purposes	—	—	—	—	—
TOTAL NET POSITION	**$ 13,150,538**	**$ 25,946,389**	**$ 318,558**	**$ 28,173**	**$ 20,899**

State Port Authority Railway Plan	State Port Authority Hourly Defined Contribution	Alabama Deferred Compensation Plan	RSA Employee Savings Plans	Retired Educ Employees' Health Care Trust	Retired State Employees' Health Care Trust	Other Pension Funds	Totals
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,418	$ 94,372
253	—	—	367,657	118,396	14,536	—	1,752,623
44	—	—	57,029	20,521	2,511	—	335,560
—	—	—	—	—	53	—	53
185	—	—	252,970	87,069	11,349	—	1,277,887
202	868	—	968,449	833,772	113,820	167	23,481,246
517	347	76,402	613,978	228,782	25,906	94	3,879,632
—	—	—	—	—	—	—	3,519,872
26	—	—	23,574	29,833	3,950	—	1,130,719
—	—	49,168	—	178,315	17,049	—	5,557,171
—	—	210,562	—	—	—	—	210,562
89	12,198	315,693	170,079	116,664	15,807	95	2,806,838
—	—	—	—	—	—	—	15
—	—	—	—	—	—	—	110,014
—	—	—	—	—	—	—	61,112
—	—	—	—	51	—	—	83,794
5	—	—	8,964	6,682	14,183	183	135,061
—	—	—	194	—	—	—	212
—	—	7,935	—	—	—	—	7,935
14	—	—	53,435	41,953	81,443	—	1,315,873
—	—	—	—	597	—	—	597
—	—	—	—	—	—	—	143,176
—	—	—	—	—	—	—	7,620
1,335	**13,413**	**659,760**	**2,516,329**	**1,662,635**	**300,607**	**1,957**	**45,911,944**
0	**0**	**0**	**0**	**0**	**0**	**0**	**11,628**
—	—	—	—	—	—	—	66
—	—	—	—	94	—	—	74,910
—	—	—	—	—	—	—	3
—	—	—	—	—	3,735	26	10,827
—	—	—	—	52	—	—	52
—	—	—	—	18,786	6,576	—	25,362
14	—	—	53,435	41,953	81,443	—	1,315,873
—	—	—	—	—	3,123	—	3,123
—	—	—	—	—	—	—	6,944
—	—	—	—	—	—	—	16,832
—	—	—	—	—	—	—	41,777
—	—	—	—	—	—	1,000	1,000
14	**0**	**0**	**53,435**	**60,885**	**94,877**	**1,026**	**1,496,769**
0	**0**	**0**	**0**	**0**	**0**	**0**	**16,447**
1,321	13,413	—	—	—	—	931	39,480,222
—	—	—	—	1,601,750	205,730	—	1,807,480
—	—	659,760	2,462,894	—	—	—	3,122,654
$ 1,321	**$ 13,413**	**$ 659,760**	**$ 2,462,894**	**$ 1,601,750**	**$ 205,730**	**$ 931**	**$ 44,410,356**

STATE OF ALABAMA

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION

Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Judicial Retirement Fund	Peace Officers' Annuity and Benefits	State Port Authority Hourly Plan
ADDITIONS					
Contributions:					
Plan members	$ 335,848	$ 515,003	$ 4,184	$ 645	$ 0
Employer	810,806	862,475	18,099	4,081	—
Other Contributions	188	300	—	—	—
Federal On-Behalf	—	—	—	—	—
Capital Contributions	—	—	—	38	—
Total Contributions	1,146,842	1,377,778	22,283	4,764	—
Investment Earnings					
Investment Interest and Dividends	298,770	576,193	6,928	566	581
Net Increase (Decrease) in Fair Value of Investments	425,632	801,465	16,173	2,562	995
Securities Lending Income	6,534	13,960	128	—	13
Total Investment Earnings	730,936	1,391,618	23,229	3,128	1,589
Less:					
Investment Expense	4,106	9,728	—	81	—
Securities Lending Interest and Fees	3,478	7,543	70	—	8
Net Investment Income	723,352	1,374,347	23,159	3,047	1,581
Other Additions					
Interest from Mortgages and Loans Receivable	—	—	—	—	—
Miscellaneous	3,879	5,846	2	10	—
Total Other Additions	3,879	5,846	2	10	0
Total Additions	**1,874,073**	**2,757,971**	**45,444**	**7,821**	**1,581**
DEDUCTIONS					
Benefit Payments and Refunds	1,275,468	2,399,919	39,069	5,203	—
Administrative Expense	16,540	31,111	358	444	—
Total Deductions	**1,292,008**	**2,431,030**	**39,427**	**5,647**	**—**
Change in Net Position	**582,065**	**326,941**	**6,017**	**2,174**	**1,581**
Net Position Restricted or Held in Trust for Beneficiaries, October 1, 2019, as Restated	12,568,473	25,619,448	312,541	25,999	19,318
Net Position Restricted or Held in Trust for Beneficiaries, September 30, 2020	**$ 13,150,538**	**$ 25,946,389**	**$ 318,558**	**$ 28,173**	**$ 20,899**

State Port Authority Railway Plan	State Port Authority Hourly Defined Contribution	Alabama Deferred Compensation Plan	RSA Employee Savings Plans	Retired Educ Employees' Health Care Trust	Retired State Employees' Health Care Trust	Other Pension Funds	Totals
$ 0	$ 950	$ 34,549	$ 77,829	$ 145,432	$ 54,480	$ 13,814	$ 1,182,734
1	1,161	—	—	198,014	40,133	7	1,934,777
—	—	—	—	—	—	4,668	5,156
—	—	—	—	468	—	—	468
—	—	—	—	—	—	—	38
1	2,111	34,549	77,829	343,914	94,613	18,489	3,123,173
37	1,367	25,753	59,523	34,393	4,177	6	1,008,294
63	—	16,636	162,135	87,355	10,506	76	1,523,598
1	—	—	1,298	887	447	—	23,268
101	1,367	42,389	222,956	122,635	15,130	82	2,555,160
—	—	861	—	—	—	—	14,776
1	—	—	742	515	255	—	12,612
100	1,367	41,528	222,214	122,120	14,875	82	2,527,772
—	—	498	—	—	—	—	498
—	—	—	—	—	—	—	9,737
0	0	498	0	0	0	0	10,235
101	**3,478**	**76,575**	**300,043**	**466,034**	**109,488**	**18,571**	**5,661,180**
—	5,461	41,189	119,861	339,544	94,291	15,956	4,335,961
—	15	1,212	—	1,818	322	2,332	54,152
—	**5,476**	**42,401**	**119,861**	**341,362**	**94,613**	**18,288**	**4,390,113**
101	**(1,998)**	**34,174**	**180,182**	**124,672**	**14,875**	**283**	**1,271,067**
1,220	15,411	625,586	2,282,712	1,477,078	190,855	648	43,139,289
$ 1,321	**$ 13,413**	**$ 659,760**	**$ 2,462,894**	**$ 1,601,750**	**$ 205,730**	**$ 931**	**$ 44,410,356**

Private-Purpose Trust Funds

Private-Purpose Trust Funds report trust arrangements where the principal and income benefit individuals, private organizations or other governments.

Prepaid Affordable College Tuition
Accounts for the operation of a prepaid college tuition plan for the benefit of individual citizens of Alabama.

Alabama College Education Savings Plan
Accounts for the operation of an individual college tuition savings plan.

Local Education Endowments
Accounts for the proceeds of several endowments donated by private citizens for the benefit of specific local school systems.

ABLE Trust Fund
Accounts for private funds to support individuals with disabilities.

COMBINING STATEMENT OF FIDUCIARY NET POSITION

Private-Purpose Trust Funds

September 30, 2020

(Amounts in Thousands)

	Prepaid Affordable College Tuition	Alabama College Education Savings Plan	Local Education Endowments	ABLE Trust Fund	Totals
ASSETS					
Cash and Cash Equivalents	$ 4,418	$ 3,750	$ 0	$ 1,009	$ 9,177
Investments					
U.S. Treasury Securities	6,507	—	1,115	—	7,622
U.S. Agency Securities	5,905	—	138	—	6,043
Mortgage Backed Securities	5,082	—	—	—	5,082
Corporate Stocks	—	—	7,078	—	7,078
Corporate Bonds	1,154	—	2,050	—	3,204
Real Estate	—	—	827	—	827
Commercial Paper	—	—	230	—	230
Mutual and Money Market Funds	77,580	1,991,281	788	1,154	2,070,803
Accounts Receivable	44	4,517	—	—	4,561
Securities Lending Collateral	—	—	674	—	674
TOTAL ASSETS	**100,690**	**1,999,548**	**12,900**	**2,163**	**2,115,301**
LIABILITIES					
Warrants Payable	670	—	—	—	670
Due To Other Funds	2	—	—	—	2
Accounts Payable	6,068	2,117	—	—	8,185
Securities Lending Obligation	—	—	674	—	674
Amounts Held in Custody for Others	—	2,814	—	—	2,814
Compensated Absences	15	8	—	—	23
TOTAL LIABILITIES	**6,755**	**4,939**	**674**	**0**	**12,368**
NET POSITION					
Restricted or Held in Trust for Beneficiaries	93,935	1,994,609	12,226	2,163	2,102,933
General Government	—	—	—	—	—
TOTAL NET POSITION	**$ 93,935**	**$ 1,994,609**	**$ 12,226**	**$ 2,163**	**$ 2,102,933**

STATE OF ALABAMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Private-Purpose Trust Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Prepaid Affordable College Tuition	Alabama College Education Savings Plan	Local Education Endowments	ABLE Trust Fund	Totals
ADDITIONS					
Contributions:					
Plan members	$ 555	$ 198,066	$ 0	$ 1,218	$ 199,839
Total Contributions	555	198,066	0	1,218	199,839
Investment Earnings					
Investment Interest and Dividends	1,453	53,746	490	88	55,777
Net Increase (Decrease) in Fair Value of Investments	1,533	85,178	767	—	87,478
Securities Lending Interest and Fees	—	—	38	—	38
Total Investment Earnings	2,986	138,924	1,295	88	143,293
Less:					
Securities Lending Interest and Fees	—	—	23	—	23
Net Investment Income	2,986	138,924	1,272	88	143,270
Other Additions					
Miscellaneous	135	—	—	—	135
Transfer In	60,738	—	—	—	60,738
Total Other Additions	60,873	0	0	0	60,873
Total Additions	**64,414**	**336,990**	**1,272**	**1,306**	**403,982**
DEDUCTIONS					
Benefit Payments and Refunds	52,427	151,736	—	349	204,512
Administrative Expense	22	9,164	—	—	9,186
Transfers Out	—	860	594	—	1,454
Total Deductions	**52,449**	**161,760**	**594**	**349**	**215,152**
Change in Net Position	**11,965**	**175,230**	**678**	**957**	**188,830**
Net Position Restricted or Held in Trust for Beneficiaries, October 1, 2019, as Restated	81,970	1,819,379	11,548	1,206	1,914,103
Net Position Restricted or Held in Trust for Beneficiaries, September 30, 2020	**$ 93,935**	**$ 1,994,609**	**$ 12,226**	**$ 2,163**	**$ 2,102,933**

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

Agency Funds

Agency Funds report assets held by the State in a purely custodial capacity (assets equal liabilities). Agency funds typically involve the receipt, temporary investment, and remittance of resources to individuals, organizations or other governments.

State Clearing Accounts
Accounts for the collection and distribution of State taxes and licenses as well as amounts collected and held by courts for individuals.

Taxes Collected for Local Governments
Accounts for local taxes which are collected by the State as a service for local governments. These taxes do not represent future revenues of the State.

Payroll
Accounts for amounts withheld from employees that are not yet distributed to outside organizations or governments.

Other Agency Funds
Are aggregated for financial reporting purposes and represent amounts held for child support payments, cash bonds, and numerous other amounts held for individuals and organizations outside of State government.

STATE OF ALABAMA

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

Agency Funds

September 30, 2020

(Amounts in Thousands)

	State Clearing Accounts	Taxes Collected for Local Governments	Payroll	Other Agency Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 156,852	$ 10,730	$ 1,650	$ 78,486	$ 247,718
Investments	—	—	—	50,416	50,416
Due From Other Funds	—	—	—	—	—
Due From Other Governments	—	—	**8**	—	8
TOTAL ASSETS	**$ 156,852**	**$ 10,730**	**$ 1,658**	**$ 128,902**	**$ 298,142**
LIABILITIES					
Warrants Payable	$ 23,263	$ 834	$ 1,188	$ 1,635	$ 26,920
Accounts Payable	1	1	—	167	169
Due To Other Governments	19,466	9,895	1	190	29,552
Amounts Held in Custody for Others	114,122	—	469	126,910	241,501
TOTAL LIABILITIES	**$ 156,852**	**$ 10,730**	**$ 1,658**	**$ 128,902**	**$ 298,142**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

Agency Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020
STATE CLEARING ACCOUNTS				
ASSETS				
Cash and Cash Equivalents	$ 216,928	$ 23,548,579	$ 23,608,655	$ 156,852
Taxes Receivable	—	729,710	729,710	—
TOTAL ASSETS	**$ 216,928**	**$ 24,278,289**	**$ 24,338,365**	**$ 156,852**
LIABILITIES				
Warrants Payable	$ 22,692	$ 23,263	$ 22,692	$ 23,263
Accounts Payable	8	58,350	58,357	1
Due To Other Governments	12,928	29,749	23,211	19,466
Amounts Held Pending Distribution	—	48,381,950	48,381,950	—
Unearned Revenue	—	13,784	13,784	—
Amounts Held in Custody for Others	181,300	1,058,813	1,125,991	114,122
TOTAL LIABILITIES	**$ 216,928**	**$ 49,565,909**	**$ 49,625,985**	**$ 156,852**
TAXES COLLECTED FOR LOCAL GOVTS				
ASSETS				
Cash and Cash Equivalents	$ 7,865	$ 476,423	$ 473,558	$ 10,730
Due From Other Funds	—	6	6	—
TOTAL ASSETS	**$ 7,865**	**$ 476,429**	**$ 473,564**	**$ 10,730**
LIABILITIES				
Warrants Payable	$ 221	$ 833	$ 220	$ 834
Accounts Payable	—	12,526	12,525	1
Due to Other Governments	7,644	490,975	488,724	9,895
TOTAL LIABILITIES	**$ 7,865**	**$ 504,334**	**$ 501,469**	**$ 10,730**
PAYROLL				
ASSETS				
Cash and Cash Equivalents	$ 2,319	$ 2,636,398	$ 2,637,067	$ 1,650
Due From Other Governments	—	**8**	—	8
TOTAL ASSETS	**$ 2,319**	**$ 2,636,406**	**$ 2,637,067**	**$ 1,658**
LIABILITIES				
Warrants Payable	$ 1,844	$ 1,188	$ 1,844	$ 1,188
Due To Other Funds	—	25	25	—
Accounts Payable	—	868,369	868,369	—
Due To Other Governments	1	153,280	153,280	1
Amounts Held Pending Distribution	—	1,539,994	1,539,994	—
Amounts Held in Custody for Others	474	520,913	520,918	469
TOTAL LIABILITIES	**$ 2,319**	**$ 3,083,769**	**$ 3,084,430**	**$ 1,658**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

Agency Funds

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Balance at September 30, 2019	Additions	Reductions	Balance September 30, 2020
OTHER AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 70,414	$ 862,837	$ 854,765	$ 78,486
Investments	51,846	1,685	3,115	50,416
TOTAL ASSETS	**$ 122,260**	**$ 864,522**	**$ 857,880**	**$ 128,902**
LIABILITIES				
Warrants Payable	$ 509	$ 1,635	$ 509	$ 1,635
Due To Other Funds	—	319	319	—
Accounts Payable	194	24,297	24,324	167
Due To Other Governments	204	910	924	190
Amounts Held Pending Distribution	—	421	421	—
Amounts Held in Custody for Others	121,353	885,553	879,996	126,910
TOTAL LIABILITIES	**$ 122,260**	**$ 913,135**	**$ 906,493**	**$ 128,902**
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 297,526	$ 27,524,237	$ 27,574,045	$ 247,718
Investments	51,846	1,685	3,115	50,416
Due From Other Funds	—	6	6	—
Accounts Receivable	—	—	—	—
Taxes Receivable	—	729,710	729,710	—
Due From Other Government	—	8	—	8
TOTAL ASSETS	**$ 349,372**	**$ 28,255,646**	**$ 28,306,876**	**$ 298,142**
LIABILITIES				
Warrants Payable	$ 25,266	$ 26,918	$ 25,264	$ 26,920
Due To Other Funds	—	363	363	—
Accounts Payable	202	963,522	963,556	168
Due To Other Governments	20,777	674,914	666,139	29,552
Amounts Held Pending Distribution	—	49,922,366	49,922,366	—
Unearned Revenue	—	13,784	13,784	—
Amounts Held in Custody for Others	303,127	2,465,280	2,526,905	241,502
TOTAL LIABILITIES	**$ 349,372**	**$ 54,067,147**	**$ 54,118,377**	**$ 298,142**

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

Nonmajor Component Units

Housing Finance Authority
Provides housing opportunities for those with moderate and low incomes through affordable financing programs.

Water Pollution Control Authority
Issues revolving loan bonds and lends the proceeds to eligible municipalities at below market interest rates for the construction of wastewater treatment and collection facilities.

Drinking Water Finance Authority
Issues revolving loan bonds and lends the bond proceeds to local governments at below market rates for the construction of drinking water treatment and distribution facilities.

Troy University
Reports the operations and balances of the University.

Alabama State University
Reports the operations and balances of the University.

Alabama Agricultural and Mechanical University
Reports the operations and balances of the University.

Jacksonville State University
Reports the operations and balances of the University.

University of North Alabama
Reports the operations and balances of the University.

University of Montevallo
Reports the operations and balances of the University.

University of West Alabama
Reports the operations and balances of the University.

State Employees Health Insurance
Manages a health insurance plan for State employees.

Other Nonmajor Component Units
Combined totals of other nonmajor component units, which are reported in more detail later in this report.

COMBINING STATEMENT OF NET POSITION
Nonmajor Component Units

September 30, 2020

(Amounts in Thousands)

	Housing Finance Authority	Water Pollution Control Authority	Drinking Water Finance Authority	Troy University	Alabama State University
ASSETS					
Cash and Cash Equivalents	$ 26,679	$ 1,519	$ 4,841	$ 102,390	$ 44,501
Investments	344,607	265,764	120,492	178,831	100,959
Due From Primary Government	—	4,370	—	—	—
Accounts Receivable	17,711	1,591	784	37,176	22,453
Due From Other Governments	—	407,315	279,711	—	4,411
Mortgages, Notes, and Loans Receivable	413,217	—	—	259	—
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	50	5
Restricted Assets	—	—	—	—	—
Other Assets	55,400	1,752	6,183	1,222	7
Capital Assets, Net of Accumulated Depreciation	—	71	15	320,063	233,499
Capital Assets Not Depreciated	—	—	—	27,944	21,301
TOTAL ASSETS	**857,614**	**682,382**	**412,026**	**667,935**	**427,136**
DEFERRED OUTFLOWS OF RESOURCES	**5,997**	**320**	**808**	**40,876**	**25,414**
LIABILITIES					
Warrants Payable	—	2	—	—	—
Due To Primary Government	—	165	—	—	—
Accounts Payable	71,414	102	160	7,366	15,353
Due To Other Governments	—	112,590	65,317	—	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	8,670	—	—	37,989	13,622
Amounts Held in Custody for Others	342,302	55	—	3,260	—
Noncurrent Liabilities:					
Due Within One Year	888	10,795	5,655	15,094	10,351
Due In More than One Year	12,347	10,895	23,414	312,515	277,898
TOTAL LIABILITIES	**435,621**	**134,604**	**94,546**	**376,224**	**317,224**
DEFERRED INFLOWS OF RESOURCES	**0**	**0**	**0**	**72,940**	**37,115**
NET POSITION					
Net Investment in Capital Assets	—	71	15	186,518	65,836
Restricted for:					
Permanent - Expendable	—	—	—	63,583	1,254
Permanent - Non-expendable	—	—	—	25,269	61,216
Debt Service	380,176	548,027	318,273	—	—
Capital Projects	—	—	—	—	—
Other Purposes	—	—	—	729	61,084
Unrestricted	47,814	—	—	(16,452)	(91,179)
TOTAL NET POSITION	**$ 427,990**	**$ 548,098**	**$ 318,288**	**$ 259,647**	**$ 98,211**

Alabama Agricultural and Mechanical University	Jacksonville State University	University of North Alabama	University of Montevallo	University of West Alabama	State Employees' Health Insurance	Other Nonmajor Component Units	Totals
$ 73,085	$ 75,077	$ 54,461	$ 14,856	$ 29,064	$ 19,935	$ 81,828	$ 528,236
31,202	45,033	40,591	61,974	8,350	144,087	51,811	1,393,701
—	—	—	—	—	6,080	946	11,396
43,139	51,562	9,307	6,758	7,607	10,339	15,292	223,719
—	—	—	—	—	229	101	691,767
3,043	1,986	1,742	115	109	1,000	89	421,560
—	—	—	—	—	4,400	3,839	8,239
—	—	15	—	—	—	10,639	10,709
—	—	—	3,076	—	—	2,464	5,540
13,991	14,047	11,529	7,821	188	403	3,015	115,558
134,594	222,069	140,636	75,609	50,075	904	126,124	1,303,659
31,956	62,259	$ 45,390	2,230	6,386	—	106,622	304,088
331,010	**472,033**	**303,671**	**172,439**	**101,779**	**187,377**	**402,770**	**5,018,172**
20,471	**31,356**	**23,436**	**12,932**	**9,787**	**1,174**	**34,480**	**207,051**
—	—	—	—	—	15	44	61
—	12,947	—	—	—	172	345	13,629
14,398	28,060	10,077	7,684	5,237	1,010	13,291	174,152
—	—	—	203	—	—	37	178,147
—	—	—	—	—	4,400	3,839	8,239
55,922	42,929	29,186	16,664	11,792	89	12,358	229,221
3,236	1,174	570	504	22	—	491	351,614
7,372	2,901	2,789	2,404	790	14,570	5,802	79,411
184,969	267,348	191,780	107,666	103,557	31,054	194,932	1,718,375
265,897	**355,359**	**234,402**	**135,125**	**121,398**	**51,310**	**231,139**	**2,752,849**
32,911	**40,006**	**33,758**	**25,167**	**13,151**	**3,475**	**70,357**	**328,880**
82,456	200,671	94,139	29,023	18,066	904	207,732	885,431
5,436	44,540	11,769	24,159	—	—	—	150,741
42,750	9,349	33,427	24,231	429	—	13,138	209,809
—	110	—	—	—	—	—	1,246,586
—	—	—	—	—	—	28	28
914	2,779	199	—	—	—	5,805	71,510
(78,883)	(149,425)	(80,587)	(52,334)	(41,478)	132,862	(90,949)	(420,611)
$ 52,673	**$ 108,024**	**$ 58,947**	**$ 25,079**	**$ (22,983)**	**$ 133,766**	**$ 135,754**	**$ 2,143,494**

COMBINING STATEMENT OF ACTIVITIES
Nonmajor Component Units
For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)	Housing Finance Authority	Water Pollution Control Authority	Drinking Water Finance Authority	Troy University	Alabama State University
Expenses	**$ 61,334**	**$ 9,364**	**$ 7,540**	**$ 248,091**	**$ 140,431**
Program Revenues					
Charges for Services	38,710	2,967	1,956	144,847	51,875
Operating Grants and Contributions	20,182	17,366	25,416	61,443	49,577
Capital Grants and Contributions	—	—	—	1,570	351
Total Program Revenues	**58,892**	**20,333**	**27,372**	**207,860**	**101,803**
Net (Expense) Revenue	**(2,442)**	**10,969**	**19,832**	**(40,231)**	**(38,628)**
General Revenues:					
Payments from State of Alabama	—	—	—	61,018	49,901
Unrestricted Investment Earnings	16,613	13,546	7,980	25,440	9,667
Miscellaneous	—	—	—	3,990	—
Contributions to Permanent Funds and Endowments	—	—	—	—	—
Total General Revenues and Contributions	**16,613**	**13,546**	**7,980**	**90,448**	**59,568**
Change in Net Position	**14,171**	**24,515**	**27,812**	**50,217**	**20,940**
Net Position, October 1, 2019, as Restated	413,819	523,583	290,476	209,430	77,271
Net Position, September 30, 2020	**$ 427,990**	**$ 548,098**	**$ 318,288**	**$ 259,647**	**$ 98,211**

Alabama Agricultural and Mechanical University	Jacksonville State University	University of North Alabama	University of Montevallo	University of West Alabama	State Employees' Health Insurance	Other Nonmajor Component Units	Totals
$ 167,298	**$ 173,600**	**$ 132,954**	**$ 82,763**	**$ 73,403**	**$ 343,375**	**$ 221,119**	**$ 1,661,272**
78,316	80,250	74,142	42,169	46,169	361,613	74,942	997,956
58,677	40,859	24,299	17,916	16,243	—	43,700	375,678
440	—	1,099	966	—	—	250	4,676
137,433	**121,109**	**99,540**	**61,051**	**62,412**	**361,613**	**118,892**	**1,378,310**
(29,865)	**(52,491)**	**(33,414)**	**(21,712)**	**(10,991)**	**18,238**	**(102,227)**	**(282,962)**
44,301	44,989	34,755	22,840	18,342	6,984	111,949	395,079
1,050	6,259	3,658	316	25	5,263	3,012	92,829
112	4,700	106	16	47	—	1,732	10,703
—	—	89	—	—	—	—	89
45,463	**55,948**	**38,608**	**23,172**	**18,414**	**12,247**	**116,693**	**498,700**
15,598	**3,457**	**5,194**	**1,460**	**7,423**	**30,485**	**14,466**	**215,738**
37,075	104,567	53,753	23,619	(30,406)	103,281	121,288	1,927,756
$ 52,673	**$ 108,024**	**$ 58,947**	**$ 25,079**	**$ (22,983)**	**$ 133,766**	**$ 135,754**	**$ 2,143,494**

COMBINING STATEMENT OF NET POSITION
Other Nonmajor Component Units
September 30, 2020

(Amounts in Thousands)

	Historical Commission	Alabama Institute for the Deaf and Blind	Athens State University	Space Science Exhibit Commission	Marine Environmental Sciences Consortium
ASSETS					
Cash and Cash Equivalents	$ 3,889	$ 30,849	$ 21,506	$ 726	$ 4,378
Investments	16,059	14,489	12,821	303	—
Due From Primary Government	196	—	—	—	—
Accounts Receivable	75	8,944	1,187	2,362	2,667
Due From Other Governments	—	—	—	—	—
Mortgages, Notes, and Loans Receivable	—	—	—	—	—
Securities Lending Collateral	3,839	—	—	—	—
Inventory	36	7,898	38	2,172	174
Restricted Assets	—	1,245	—	1,219	—
Other Assets	—	87	2,094	453	—
Capital Assets, Net of Accumulated Depreciation	254	26,302	40,152	36,541	11,948
Capital Assets Not Depreciated	82,423	2,756	3,104	7,658	667
TOTAL ASSETS	**106,771**	**92,570**	**80,902**	**51,434**	**19,834**
DEFERRED OUTFLOWS OF RESOURCES	**967**	**18,881**	**7,038**	**2,453**	**2,639**
LIABILITIES					
Warrants Payable	1	—	—	—	—
Due To Primary Government	64	—	—	—	—
Accounts Payable	505	4,438	1,047	2,949	94
Due To Other Governments	19	—	—	—	—
Securities Lending Obligation	3,839	—	—	—	—
Unearned Revenue	—	227	6,821	4,697	613
Amounts Held in Custody for Others	—	284	—	—	207
Noncurrent Liabilities:					
Due Within One Year	51	438	1,740	600	318
Due in More Than One Year	8,572	95,949	45,034	17,295	15,060
TOTAL LIABILITIES	**13,051**	**101,336**	**54,642**	**25,541**	**16,292**
DEFERRED INFLOWS OF RESOURCES	**2,841**	**39,848**	**10,866**	**6,398**	**3,851**
NET POSITION					
Net Investment in Capital Assets	82,677	28,143	31,016	36,632	8,637
Restricted for:					
Permanent - Non-expendable	11,168	—	1,970	—	—
Capital Projects	—	—	—	—	28
Other Purposes	—	185	3,722	283	1,615
Unrestricted	(1,999)	(58,061)	(14,276)	(14,967)	(7,950)
TOTAL NET POSITION	**$ 91,846**	**$ (29,733)**	**$ 22,432**	**$ 21,948**	**$ 2,330**

Crime Victims Compensation Commission	Supercomputer Authority	U.S.S Alabama Battleship Commission	Historic Ironworks Commission	Red Mountain Recreation Commission	Miscellaneous Component Units	Totals
$ 481	$ 9,932	$ 6,276	$ 515	$ 173	$ 3,103	$ 81,828
4,332	—	2,596	—	—	1,211	51,811
—	500	—	—	—	250	946
—	—	17	—	33	7	15,292
—	—	—	—	—	101	101
—	—	—	—	—	89	89
—	—	—	—	—	—	3,839
—	—	290	31	—	—	10,639
—	—	—	—	—	—	2,464
—	—	95	—	91	195	3,015
946	1,510	4,697	2,183	1,394	197	126,124
—	—	1,157	1,041	7,655	161	106,622
5,759	**11,942**	**15,128**	**3,770**	**9,346**	**5,314**	**402,770**
468	**248**	**1,127**	**303**	**243**	**113**	**34,480**
5	33	—	—	—	5	44
26	4	—	—	—	251	345
138	3,783	277	49	2	9	13,291
—	18	—	—	—	—	37
—	—	—	—	—	—	3,839
—	—	—	—	—	—	12,358
—	—	—	—	—	—	491
2,319	20	—	315	—	1	5,802
4,214	2,368	2,751	1,884	1,325	480	194,932
6,702	**6,226**	**3,028**	**2,248**	**1,327**	**746**	**231,139**
1,304	**572**	**2,399**	**654**	**1,201**	**423**	**70,357**
946	1,510	5,854	2,910	9,049	358	207,732
—	—	—	—	—	—	13,138
—	—	—	—	—	—	28
—	—	—	—	—	—	5,805
(2,725)	3,882	4,974	(1,739)	(1,988)	3,900	(90,949)
$ (1,779)	**$ 5,392**	**$ 10,828**	**$ 1,171**	**$ 7,061**	**$ 4,258**	**$ 135,754**

COMBINING STATEMENT OF ACTIVITIES

Other Nonmajor Component Units

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Historical Commission	Alabama Institute for the Deaf and Blind	Athens State University	Space Science Exhibit Commission	Marine Environmental Sciences Consortium
Expenses	**$ 7,357**	**$ 102,926**	**$ 38,713**	**$ 25,291**	**$ 18,100**
Program Revenues					
Charges for Services	1,508	23,735	16,329	17,958	1,770
Operating Grants and Contributions	1,005	18,092	10,609	—	11,055
Capital Grants and Contributions	—	61	—	125	—
Total Program Revenues	**2,513**	**41,888**	**26,938**	**18,083**	**12,825**
Net (Expense) Revenue	**(4,844)**	**(61,038)**	**(11,775)**	**(7,208)**	**(5,275)**
General Revenues:					
Payments from State of Alabama	6,080	66,154	15,822	2,400	5,203
Unrestricted Investment Earnings	1,408	631	362	21	1
Miscellaneous	1	1,310	414	—	—
Total General Revenues	**7,489**	**68,095**	**16,598**	**2,421**	**5,204**
Change in Net Position	**2,645**	**7,057**	**4,823**	**(4,787)**	**(71)**
Net Position, October 1, 2019, as Restated	89,201	(36,790)	17,609	26,735	2,401
Net Position, September 30, 2020	**$ 91,846**	**$ (29,733)**	**$ 22,432**	**$ 21,948**	**$ 2,330**

Crime Victims Compensation Commission	Supercomputer Authority	U.S.S Alabama Battleship Commission	Historic Ironworks Commission	Red Mountain Recreation Commission	Miscellaneous Component Units	Totals
$ 3,443	**$ 17,424**	**$ 4,977**	**$ 1,776**	**$ 301**	**$ 811**	**$ 221,119**
2,344	4,177	3,481	1,857	317	1,466	74,942
1,376	—	1,015	103	431	14	43,700
—	—	44	—	—	20	250
3,720	**4,177**	**4,540**	**1,960**	**748**	**1,500**	**118,892**
277	**(13,247)**	**(437)**	**184**	**447**	**689**	**(102,227)**
100	15,900	—	—	—	290	111,949
434	—	110	1	—	44	3,012
—	—	—	—	—	7	1,732
534	**15,900**	**110**	**1**	**—**	**341**	**116,693**
811	**2,653**	**(327)**	**185**	**447**	**1,030**	**14,466**
(2,590)	2,739	11,155	986	6,614	3,228	121,288
$ (1,779)	**$ 5,392**	**$ 10,828**	**$ 1,171**	**$ 7,061**	**$ 4,258**	**$ 135,754**

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

Supplemental Statements and Schedules

Supplemental Statements and Schedules presents schedules and statements which bring together information spread throughout the statements, presents information in greater detail, or presents information that demonstrates legal compliance.

SCHEDULE OF FEDERAL REVENUES BY AGENCY

All Funds and Component Units, Excluding Amounts Received Directly by Higher Education

For the Fiscal Year Ended September 30, 2020

(Amounts in Thousands)

	Amount
Administrative Office Of Courts	$ 213
Agriculture and Industries	6,736
Archives and History	98
Attorney General	1,101
Bureau of Pardons and Paroles	279
Child Abuse and Neglect Prevention Board	394
Commerce	52,473
Conservation and Natural Resources	46,814
Council on the Arts	906
Crime Victims Compensation Commission	1,376
Drinking Water Finance Authority	50,832
Early Childhood Education	16,140
Economic and Community Affairs	182,410
Education	1,026,645
Emergency Management Agency	34,860
Environmental Management	17,662
Finance-Special Funds	988,630
Forensic Sciences	1,287
Forestry Commission	3,938
Geological Survey	496
Governor's Office of Volunteer Services	1,893
High School of Math and Science	7
Historical Commission	964
Housing Finance Authority	20,182
Human Resources	1,964,597
Labor	2,973,984
Law Enforcement Agency	15,456
Manufactured Housing Commission	92
Medicaid Agency	5,422,760
Mental Health	59,735
Military	54,394
Office of Prosecution Services	235
Oil and Gas Board	3
Public Health	492,662
Public Library Services	2,411
Public School and College Authority	4,546
Public Service Commission	834
Rehabilitation Services	78,310
School of Fine Arts	44
Secretary of State	13,427
Senior Services	36,082
Soil and Water Conservation Commission	1,305
State Port Authority	7,539
Surface Mining Commission	1,341
Transportation	956,690
Veterans Affairs	34,555
Water Pollution Control Authority	34,732
Total Federal Revenues	**$ 14,612,070**

This part of the State of Alabama's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends **Page 325**

These schedules contain trend information to help the reader understand how the State's financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity **Page 335**

These schedules contain information to help the reader assess the factors affecting the State's ability to generate its individual income tax and corporate income tax.

- Major Revenue Base
- Revenue Rates
- Principal Revenue Payers

Debt Capacity **Page 343**

These schedules present information that helps the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

- Ratios of Outstanding Debt
- Ratios of General Bonded Debt Outstanding
- Debt Limitations
- Pledged Revenue Coverage

Demographic and Economic Information **Page 351**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

- Labor Force Statistics
- Population/Per Capita Personal Income Statistics
- Top Ten Employers in Alabama

Operating Information **Page 355**

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

- State Government Employment by Function
- Indicators of Demand or Level of Service
- Indicators of Volume, Usage and Nature of Capital Assets

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.
Note: The number of years presented on each schedule varies according to available data.

STATE OF ALABAMA

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Amounts in Thousands)

	2020	2019	2018	2017	2016
Governmental Activities					
Net Investment in Capital Assets	$20,773,154	$ 20,598,076	$ 20,564,785	$ 20,544,621	$ 20,408,863
Restricted	9,459,541	8,876,409	8,366,993	8,606,626	7,376,079
Unrestricted	(8,321,652)	(9,012,764)	(9,597,426)	(10,447,520)	(7,707,397)
Total Governmental Activities Net Position	**$21,911,043**	**$ 20,461,721**	**$ 19,334,352**	**$ 18,703,727**	**$ 20,077,545**
Business-type Activities					
Net Investment in Capital Assets	$ 309,525	$ 297,463	$ 306,317	$ 309,115	$ 297,816
Restricted	530,848	751,669	675,693	605,930	567,493
Unrestricted	6,140	(4,285)	(19,800)	(30,399)	(67,811)
Total Business-type Activities Net Position	**$ 846,513**	**$ 1,044,847**	**$ 962,210**	**$ 884,646**	**$ 797,498**
Primary government					
Net Investment in Capital Assets	$21,082,679	$ 20,895,539	$ 20,871,102	$ 20,853,736	$ 20,706,679
Restricted	9,990,389	9,628,078	8,988,164	9,212,556	7,943,572
Unrestricted	(8,315,512)	(9,017,049)	(9,617,226)	(10,477,919)	(7,775,208)
Total Primary Government Net Position	**$22,757,556**	**$ 21,506,568**	**$ 20,242,040**	**$ 19,588,373**	**$ 20,875,043**

GASB Statement 61 redefined the reporting entity in 2013. 2012 was restated but it was not practical to restate years prior to 2012. GASB 68 and GASB 73 added pension liabilities in 2015 and 2017, respectively. Only 2014 and 2016 fund balance/net position was restated for GASB 68 and GASB 73, respectively, because it was not practical to restate prior years. Only 2017 fund balance/net position was restated for GASB 75 Net OPEB liability because it was not practical to restate years prior to 2017.

2015	2014	2013	2012	2011
$ 20,285,148	$ 20,119,589	$ 20,041,968	$ 19,633,646	$ 19,091,325
7,205,559	6,796,929	6,936,902	6,046,381	5,387,811
(7,855,192)	(7,386,155)	(4,818,396)	(4,473,936)	(1,513,001)
$ 19,635,515	**$ 19,530,363**	**$ 22,160,474**	**$ 21,206,091**	**$ 22,966,135**
$ 301,107	$ 298,811	$ 251,394	$ 235,360	$ 175,650
489,942	312,426	298,238	163,285	415,535
—	(12,158)	71,753	72,020	(305,674)
$ 791,049	**$ 599,079**	**$ 621,385**	**$ 470,665**	**$ 285,511**
$ 20,586,255	$ 20,418,400	$ 20,293,362	$ 19,869,006	$ 18,802,638
7,695,501	7,109,355	7,235,140	6,209,666	4,848,455
(7,855,192)	(7,398,313)	(4,746,643)	(4,401,916)	(836,591)
$ 20,426,564	**$ 20,129,442**	**$ 22,781,859**	**$ 21,676,756**	**$ 22,814,502**

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Amounts in Thousands)

	2020	2019	2018	2017	2016
Expenses					
Governmental Activities					
Economic Development and Regulation	$ 159,098	$ 153,261	$ 139,139	$ 155,796	$ 159,378
Education and Cultural Resources	8,470,534	7,939,340	7,462,779	7,168,714	7,122,455
Natural Resources and Recreation	157,192	148,015	142,306	151,843	158,738
Health	8,048,514	7,878,317	7,446,780	7,419,732	6,969,940
Social Services	2,720,396	2,253,620	2,213,061	2,403,668	2,255,358
Protection of Persons and Property	1,688,055	1,327,332	1,076,783	1,233,440	1,297,498
Transportation	1,700,982	1,687,336	1,818,880	1,532,866	1,566,123
General Government	1,413,374	1,351,633	1,215,056	1,048,882	835,119
Debt Service - Interest and Other Charges	155,912	169,286	184,975	182,655	159,894
Total Governmental Activities Expenses	**24,514,057**	**22,908,140**	**21,699,759**	**21,297,596**	**20,524,503**
Business-type Activities					
Unemployment Compensation	3,709,041	150,096	158,959	174,746	195,664
State Port Authority	146,232	151,565	133,083	131,405	133,920
Alcoholic Beverage Control Board	377,370	351,058	323,013	328,276	312,783
Nonmajor Proprietary Funds	111,013	82,759	83,957	70,093	68,955
Total Business-type Activities Expenses	**4,343,656**	**735,478**	**699,012**	**704,520**	**711,322**
Total Primary Governmental Expenses	**28,857,713**	**23,643,618**	**22,398,771**	**22,002,116**	**21,235,825**
Program Revenues					
Governmental Activities					
Charges for Services:					
Economic Development and Regulation	99,560	101,505	95,566	153,247	114,363
Education and Cultural Resources	38,692	51,711	43,920	50,197	48,229
Natural Resources and Recreation	116,297	99,712	92,521	79,727	121,507
Health	542,733	474,218	532,333	496,447	428,927
Social Services	55,073	53,366	25,546	65,738	65,509
Protection of Persons and Property	408,964	421,585	394,248	303,477	279,372
Transportation	240,045	258,816	204,839	187,680	184,158
General Government	495,492	497,015	195,604	266,178	281,405
Operating Grants and Contributions	10,110,656	9,284,376	8,786,793	8,759,602	8,515,413
Capital Grants and Contributions	1,038,188	1,160,688	1,024,637	924,667	941,948
Total Governmental Activities Program Revenues	**13,145,700**	**12,402,992**	**11,396,007**	**11,286,960**	**10,980,831**
Business-type Activities					
Charges for Services:					
Unemployment Compensation	206,462	232,912	237,593	248,199	278,534
State Port Authority	140,217	160,078	136,306	128,542	120,079
Alcoholic Beverage Control Board	422,076	378,578	351,262	336,351	327,189
Nonmajor Proprietary Funds	105,489	97,274	92,172	100,679	96,224
Operating Grants and Contributions	2,912,623	3,163	2,567	11,142	5,029
Capital Grants and Contributions	7,539	—	—	125	7,894
Total Business-type Activities Program Revenues	**3,794,406**	**872,005**	**819,900**	**825,038**	**834,949**
Total Primary Governmental Program Revenues	**$ 16,940,106**	**$ 13,274,997**	**$ 12,215,907**	**$ 12,111,998**	**$ 11,815,780**

GASB Statement 61 redefined the reporting entity in 2013. 2012 was restated but it was not practical to restate years prior to 2012. GASB 68 and GASB 73 added pension liabilities in 2015 and 2017, respectively. Only 2014 and 2016 fund balance/net position was restated for GASB 68 and GASB 73, respectively, because it was not practical to restate prior years. Only 2017 fund balance/net position was restated for GASB 75 Net OPEB liability because it was not practical to restate years prior to 2017.

2015	2014	2013	2012	2011
$ 148,267	$ 117,497	$ 121,933	$ 99,743	$ 193,900
6,947,994	6,787,731	6,615,815	6,490,503	7,082,931
136,059	158,043	124,387	143,111	134,591
6,814,031	6,543,218	6,427,303	6,407,799	6,085,907
2,425,046	2,398,743	2,448,759	2,441,385	2,580,186
1,208,686	1,165,601	1,079,644	1,146,584	1,075,191
1,475,669	1,454,028	1,319,431	1,197,030	1,186,100
896,334	895,891	966,042	916,235	1,008,763
155,722	161,479	175,715	154,425	48,631
20,207,808	**19,682,231**	**19,279,029**	**18,996,815**	**19,396,200**
210,464	291,417	458,063	701,971	1,007,325
141,087	142,757	136,904	133,570	128,100
298,212	289,347	282,840	274,718	266,472
71,213	84,418	122,838	91,107	94,015
720,976	**807,939**	**1,000,645**	**1,201,366**	**1,495,912**
20,928,784	**20,490,170**	**20,279,674**	**20,198,181**	**20,892,112**
137,912	131,404	174,341	181,360	35,782
49,272	50,499	59,110	35,220	41,947
72,720	84,298	74,903	74,790	86,968
405,979	355,442	313,897	388,944	349,863
67,290	65,950	49,591	51,379	48,210
287,174	276,993	225,468	233,979	232,056
185,774	180,079	172,753	180,278	174,375
181,043	247,088	175,903	208,513	218,001
8,364,835	8,067,411	8,047,460	8,202,653	8,973,049
1,021,107	966,966	976,217	864,113	936,928
10,773,106	**10,426,130**	**10,269,643**	**10,421,229**	**11,097,179**
325,561	359,914	434,928	474,633	546,618
144,391	162,617	149,275	143,644	120,248
304,658	296,337	280,295	276,879	265,184
89,475	95,218	102,916	99,350	85,437
4,053	34,226	164,329	362,020	584,226
4,196	13,462	1,644	1,262	(5,685)
872,334	**961,774**	**1,133,387**	**1,357,788**	**1,596,028**
$ 11,645,440	**$ 11,387,904**	**$ 11,403,030**	**$ 11,779,017**	**$ 12,693,207**

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CHANGES IN NET POSITION (Continued from previous page)

Last Ten Fiscal Years
(Amounts in Thousands)

	2020	2019	2018	2017	2016
Net (Expense)/Revenue					
Governmental Activities	$ (11,368,357)	$ (10,505,148)	$ (10,303,752)	$ (10,010,636)	$ (9,543,672)
Business Activities	(549,250)	136,527	120,888	120,518	123,627
Total Primary Government Net (Expense) Revenue	**(11,917,607)**	**(10,368,621)**	**(10,182,864)**	**(9,890,118)**	**(9,420,045)**
General Revenues and Other Changes in Net Position					
Governmental Activities					
Sales and Use Taxes	3,185,463	3,003,023	2,818,868	2,679,492	2,663,197
Income Taxes	4,773,225	4,690,366	4,269,203	4,021,968	3,803,755
Motor Fuels Taxes	770,333	617,109	585,054	581,428	581,415
Utility Taxes	582,450	612,395	603,358	598,233	595,498
Insurance Premium Tax	437,752	413,754	387,040	334,479	320,046
Property Tax	406,646	394,047	371,291	359,826	353,137
Liquor Taxes	222,597	209,796	195,675	190,854	181,229
Tobacco and Cigarette Taxes	176,037	173,778	183,774	185,276	193,992
Grants/Contributions Not Restricted to Specific Programs	989,614	2,687	3,071	5,037	3,419
Unrestricted Investment Earnings	318,707	247,140	251,189	348,038	258,207
Miscellaneous	1,284,656	1,200,645	1,151,539	1,120,197	1,112,012
Transfers	(329,801)	67,777	59,792	50,983	55,350
Total Governmental Activities	**12,817,679**	**11,632,517**	**10,879,854**	**10,475,811**	**10,121,257**
Business-type Activities					
Liquor Taxes	14,513	13,780	14,694	13,317	11,453
Miscellaneous	6,602	107	1,774	364	81
Special Items	—	—	—	—	—
Transfers	329,801	(67,777)	(59,792)	(50,983)	(55,350)
Total Business-type Activities	**350,916**	**(53,890)**	**(43,324)**	**(37,302)**	**(43,816)**
Total Primary Government General Revenues and Other Changes	**13,168,595**	**11,578,627**	**10,836,530**	**10,438,509**	**10,077,441**
Change in Net Position					
Governmental Activities	1,449,322	1,127,369	576,102	465,175	577,585
Business-type Activities	(198,334)	82,637	77,564	83,216	79,811
Total Primary Government Change in Net Position	**$ 1,250,988**	**$ 1,210,006**	**$ 653,666**	**$ 548,391**	**$ 657,396**

GASB Statement 61 redefined the reporting entity in 2013, 2012 was restated but it was not practical to restate years prior to 2012. GASB 68 and GASB 73 added pension liabilities in 2015 and 2017, respectively. Only 2014 fund balance/net position was restated for GASB 68. Only 2016 fund balance/net position was restated for GASB 73.

2015	2014	2013	2012	2011
$ (9,434,702)	$ (9,256,101)	$ (9,009,386)	$ (8,575,586)	$ (8,299,021)
151,358	153,835	132,742	156,422	100,116
(9,283,344)	**(9,102,266)**	**(8,876,644)**	**(8,419,164)**	**(8,198,905)**
2,489,460	2,398,362	2,343,322	2,280,723	2,187,852
3,859,889	3,637,582	3,515,081	3,331,987	3,138,756
559,890	545,976	541,603	540,666	547,720
631,305	640,104	621,684	598,533	671,347
313,316	306,359	297,072	278,196	263,428
349,450	334,275	326,255	324,751	315,389
179,278	171,297	163,026	161,447	156,689
129,702	126,103	128,714	132,567	136,702
4,159	9,096	10,421	9,140	9,093
22,235	208,608	213,988	292,612	114,227
1,107,396	1,119,266	1,097,906.75	1,105,950	1,021,002
39,421	42,487	29,798	31,445	62,355
9,685,501	**9,539,515**	**9,288,870.75**	**9,088,017**	**8,624,560**
13,996	11,823	11,864	11,832	11,065
460	2,902	10,858	7,066	6,066
—	—	—	—	—
(39,421)	(42,487)	(29,798)	(31,445)	(62,355)
(24,965)	**(27,762)**	**(7,076)**	**(12,547)**	**(45,224)**
9,660,536	**9,511,753**	**9,281,795**	**9,075,470**	**8,579,336**
250,799	283,414	279,485	512,431	325,539
126,393	126,073	125,666	143,875	54,892
$ 377,192	**$ 409,487**	**$ 405,151**	**$ 656,306**	**$ 380,431**

STATE OF ALABAMA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Amounts in Thousands)

	2020	2019	2018	2017	2016
General Fund					
Nonspendable	$ 5,107	$ 2,612	$ 2,795	$ 4,196	$ 3,642
Assigned	5,824	3,082	2,937	2,203	3,522
Unassigned	886,779	695,542	596,957	431,095	181,040
Total General Fund	**$ 897,710**	**$ 701,236**	**$ 602,689**	**$ 437,494**	**$ 188,204**
All Other Governmental Funds					
Nonspendable	$ 142,771	$ 132,944	$ 129,481	$ 123,057	$ 119,622
Restricted	8,562,940	7,907,675	7,338,783	7,595,158	6,413,184
Assigned	71,691	43,747	43,676	89,689	439,510
Unassigned	(8,514)	(22,272)	(54,614)	(154,985)	(467,738)
Total All Other Governmental Funds	**$ 8,768,888**	**$ 8,062,094**	**$ 7,457,326**	**$ 7,652,919**	**$ 6,504,578**

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2015	2014	2013	2012	2011
$ 4,142	$ 3,118	$ 0	$ 4,003	$ 3,269
921	1,894	3,641	1,885	1,377
104,166	116,092	84,432	3,908	(24,796)
$ 109,229	**$ 121,104**	**$ 88,073**	**$ 9,796**	**$ (20,150)**
$ 111,810	$ 109,648	$ 102,851	$ 100,216	$ 74,617
6,196,422	6,021,377	6,088,341	5,863,103	5,282,838
49,035	41,799	47,801	86,576	36,953
(117,424)	(98,990)	(207,356)	(455,521)	(326,458)
$ 6,239,843	**$ 6,073,834**	**$ 6,031,637**	**$ 5,594,374**	**$ 5,067,950**

CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts in Thousands)

	2020	2019	2018	2017	2016
Revenues					
Taxes	$11,698,109	$11,182,962	$10,434,236	$9,937,261	$9,688,071
Licenses, Permits, and Fees	1,296,971	921,893	913,122	957,711	838,784
Fines, Forfeits, and Court Settlements	197,922	219,283	205,654	199,515	214,692
Investment Income	390,344	312,428	300,875	411,961	321,849
Federal Grants and Reimbursements	11,580,665	9,836,870	9,239,012	9,149,105	8,845,712
Other Revenues	1,143,950	1,224,606	1,165,726	1,085,239	1,194,666
Total Revenues	**26,307,961**	**23,698,042**	**22,258,625**	**21,740,792**	**21,103,774**
Expenditures					
Economic Development and Regulation	164,168	151,081	137,168	141,781	132,869
Education and Cultural Resources	8,401,839	7,882,290	7,416,955	7,269,649	6,999,242
Natural Resources and Recreation	206,119	170,192	222,563	219,683	169,372
Health	8,096,409	7,877,623	7,456,630	7,348,838	6,983,426
Social Services	2,772,405	2,258,663	2,208,341	2,288,852	2,292,200
Protection of Persons and Property	1,654,607	1,278,467	1,171,961	1,146,759	1,131,237
Transportation	1,941,239	1,935,522	2,097,543	1,795,101	1,790,045
General Government	1,420,926	1,032,046	975,807	938,677	940,680
Capital Outlay	39,773	48,791	26,360	46,047	48,824
Debt Service - Principal Retirement	324,815	379,195	359,976	304,997	288,565
Debt - Interest and Other Charges	200,186	215,709	228,942	219,655	194,992
Debt Service - Current Refunding to Bondholders	—	—	—	—	—
Total Expenditures	**25,222,486**	**23,229,579**	**22,302,246**	**21,720,039**	**20,971,452**
Other Financing Sources (Uses)					
Transfers In	4,389,425	3,504,949	3,311,528	3,410,241	2,933,652
Bonds Issued	118,460	338,880	18,455	1,281,755	155,115
Refunding Bonds Issued	—	—	—	245,115	21,660
Capital Leases	6,992	2,889	5,880	7,150	19,836
Other Debt Issued	—	—	—	—	3,163
Debt Issuance Premiums	32,155	26,625	1,421	166,365	21,114
Debt Issuance Discounts	—	—	—	(2,587)	—
Insurance Recovery Proceeds	5,238	5,277	3,646	3,912	2,567
Transfers Out	(4,801,566)	(3,509,255)	(3,331,991)	(3,439,907)	(2,942,444)
Payments to Refunded Bond Escrow Agent	—	(160,819)	—	(299,211)	(21,885)
Total Other Financing Sources (Uses)	**(249,296)**	**208,546**	**8,939**	**1,372,833**	**192,778**
Net Increase (Decrease) for the Year	**$ 836,179**	**$ 677,009**	**$ (34,682)**	**$1,393,586**	**$ 325,100**
Debt Service as a Percentage of Noncapital Expenditures	2.11 %	2.60 %	2.69 %	2.47 %	2.34 %

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2015	2014	2013	2012	2011
$ 9,495,075	$9,179,181	$8,943,677	$8,661,089	$8,333,168
815,183	777,804	683,527	679,106	663,102
141,522	148,436	202,968	255,117	162,156
31,052	251,790	237,875	327,787	133,247
8,650,652	8,444,987	8,468,687	8,433,252	9,279,853
1,276,617	1,150,942	1,064,451	1,149,715	1,115,733
20,410,101	**19,953,140**	**19,601,185**	**19,506,066**	**19,687,259**
139,059	115,103	116,286	82,604	186,281
6,945,844	6,791,198	6,640,507	6,665,647	7,058,644
163,571	149,825	153,860	151,359	149,952
6,785,507	6,507,467	6,351,112	6,372,507	6,077,718
2,394,865	2,365,849	2,423,399	2,459,795	2,578,242
1,145,092	1,107,139	1,027,538	1,104,876	1,158,878
1,747,040	1,680,024	1,685,764	1,557,750	1,501,744
887,354	893,627	982,857	931,145	1,034,418
36,337	49,834	55,876	80,479	52,646
271,906	270,795	244,736	357,677	54,892
193,120	198,700	189,960	187,763	51,874
—	—	82,802	—	—
20,709,695	**20,129,561**	**19,954,697**	**19,951,602**	**19,905,289**
3,068,106	2,809,995	2,733,138	2,869,361	1,409,958
610,960	128,985	690,870	15,700	—
106,090	814,000	131,160	257,585	91,195
7,709	6,834	538	45,551	5,989
—	—	—	—	24,262
95,175	165,400	115,957	40,085	8,491
—	—	—	—	—
5,208	3,849	9,834	5,368	5,059
(3,076,997)	(2,808,115)	(2,715,345)	(2,849,560)	(1,323,632)
(124,437)	(966,941)	(66,681)	(102,030)	(96,755)
691,814	**154,007**	**899,471**	**282,060**	**124,567**
$ 392,220	**$ (22,414)**	**$ 545,959**	**$ (163,476)**	**$ (93,463)**
2.29 %	2.38 %	2.66 %	2.81 %	0.55 %

REVENUE CAPACITY
Major Revenue Base: Personal Income by Industry

Last Ten Years
(Amounts in Thousands)

Industry	2020	2019	2018	2017	2016
Mining	$ 1,028,542	$ 1,039,180	$ 628,895	$ 272,108	$ 563,596
Utilities	2,180,317	2,026,720	1,931,772	1,991,505	1,867,477
Construction	8,808,490	8,221,755	7,708,482	7,427,116	7,188,505
Manufacturing	19,950,453	19,272,393	18,517,216	18,015,585	17,619,231
Wholesale Trade	6,442,358	6,252,460	5,943,409	5,747,870	5,752,413
Retail Trade	8,978,378	8,618,794	8,345,502	8,200,410	7,976,156
Transportation and warehousing	5,508,511	5,158,408	4,618,672	4,176,127	4,016,706
Finance and insurance	7,404,814	7,242,100	6,967,682	6,574,235	6,500,629
Professional and technical services	12,477,359	11,856,476	11,169,333	10,470,462	10,149,519
Government and government enterprises	28,131,776	27,162,323	26,591,535	26,137,920	25,577,893
All other	115,538,040	109,604,402	102,627,741	103,668,214	99,620,837
Total Personal Income	$ 216,449,038	$ 206,455,011	$ 195,050,239	$ 192,681,552	$ 186,832,962
State Income Taxes	4,248,723	3,928,429	3,378,720	3,500,552	3,401,786
Average Effective Rate*	1.96 %	1.88 %	1.98 %	1.86 %	1.89 %

Source: Bureau of Economic Analysis, U.S. Department of Commerce, Department of Revenue
*Note: The average rate for personal income equals state income taxes divided by total personal income.

2015	2014	2013	2012	2011
$ 798,053	$ 848,886	$ 843,135	$ 774,927	$ 617,970
1,737,534	1,720,394	1,645,215	1,708,669	1,541,569
7,201,258	7,200,840	7,469,694	6,844,757	6,759,679
17,016,820	16,056,465	15,447,632	14,841,615	14,545,910
5,508,540	5,411,660	5,227,856	5,220,054	5,002,161
7,742,351	7,584,827	7,444,823	7,223,484	6,997,877
3,816,402	3,704,234	3,660,127	3,716,324	3,410,655
6,167,368	5,863,600	5,650,099	5,573,875	5,569,579
9,687,222	9,426,465	9,273,604	9,113,200	8,786,010
25,014,090	24,319,747	24,382,329	24,824,695	24,588,268
98,236,210	95,001,853	91,610,634	91,081,026	87,863,116
$182,925,848	$177,138,971	$172,655,148	$170,922,626	$165,682,794
3,192,012	3,224,251	2,953,107	2,818,267	2,561,092
1.83 %	1.82 %	1.83 %	1.72 %	1.67 %

REVENUE CAPACITY
Revenue Rates: Individual and Corporate Income Tax Rates

Last Ten Calendar Years

Filing Status	**2010-2020**
Taxable Net Income Level	Rate
Single	Gross Income of $4,000 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Head of Family	Gross Income of $7,700 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Married Filing Separate	Gross Income of $5,250 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Married Filing Jointly	Gross Income of $10,500 or more
Not Over $1,000	2%
Over $1,000 But Not Over $6,000	4%
Over $6,000	5%

	2010-2020
Corporate Income Tax Rates	6.5%

Source: Alabama Department of Revenue

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

REVENUE CAPACITY
Principal Revenue Payers: Individual Income Tax Filers and Liability

Last Ten Years

For Tax Year 2019

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	482,113	24 %	$ 29,671	1 %
12,001- 24,000	380,639	19 %	168,280	4 %
24,001- 39,000	341,022	17 %	343,541	9 %
39,001- 60,000	290,363	14 %	478,289	13 %
60,001- 80,000	164,579	8 %	386,753	10 %
OVER 80,000	386,566	19 %	2,373,542	63 %
TOTAL	2,045,282	101 %	$ 3,780,076	100 %

For Tax Year 2018

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	467,888	24 %	$ 28,881	1 %
12,001- 24,000	373,836	19 %	162,890	5 %
24,001- 39,000	324,050	16 %	323,292	9 %
39,001- 60,000	277,649	14 %	451,273	13 %
60,001- 80,000	157,909	8 %	367,614	10 %
OVER 80,000	369,250	19 %	2,221,862	62 %
TOTAL	1,970,582	100 %	$ 3,555,812	100 %

For Tax Year 2017

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	476,613	25 %	$ 27,745	1 %
12,001- 24,000	381,252	20 %	158,252	5 %
24,001- 39,000	320,278	16 %	304,811	10 %
39,001- 60,000	269,930	14 %	415,002	13 %
60,001- 80,000	153,946	8 %	341,044	11 %
OVER 80,000	343,046	18 %	1,886,949	60 %
TOTAL	1,945,065	101 %	$ 3,133,803	100 %

For Tax Year 2016

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	479,395	25 %	$ 27,245	1 %
12,001- 24,000	380,286	20 %	155,519	5 %
24,001- 39,000	315,870	16 %	298,319	10 %
39,001- 60,000	264,269	14 %	403,442	13 %
60,001- 80,000	150,948	8 %	332,486	11 %
OVER 80,000	328,986	17 %	1,797,290	60 %
TOTAL	1,919,754	100 %	$ 3,014,301	100 %

For Tax Year 2015

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	468,533	25 %	$ 26,941	1 %
12,001- 24,000	378,789	20 %	153,715	5 %
24,001- 39,000	312,421	16 %	294,605	10 %
39,001- 60,000	261,297	14 %	397,933	14 %
60,001- 80,000	150,287	8 %	331,181	11 %
OVER 80,000	321,801	17 %	1,729,039	59 %
TOTAL	1,893,128	100 %	$ 2,933,414	100 %

Note: Due to legal confidentiality issues, the names of the ten largest individual income tax payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's income tax revenue.
Source: Alabama Department of Revenue
Year 2019 is the most recent data available.

For Tax Year 2014

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	477,726	25 %	$ 27,155	1 %
12,001- 24,000	382,163	20 %	153,345	5 %
24,001- 39,000	310,875	16 %	291,717	10 %
39,001- 60,000	261,042	14 %	396,613	14 %
60,001- 80,000	150,587	8 %	331,784	11 %
OVER 80,000	318,977	17 %	1,747,553	59 %
TOTAL	1,901,370	100 %	$ 2,948,167	100 %

For Tax Year 2013

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	477,298	26 %	$ 26,620	1 %
12,001- 24,000	383,349	20 %	150,738	6 %
24,001- 39,000	307,355	16 %	284,139	10 %
39,001- 60,000	255,616	14 %	383,903	14 %
60,001- 80,000	149,247	8 %	326,314	12 %
OVER 80,000	299,707	16 %	1,545,771	57 %
TOTAL	1,872,572	100 %	$ 2,717,485	100 %

For Tax Year 2012

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	495,994	26 %	$ 28,657	1 %
12,001- 24,000	388,751	21 %	150,991	5 %
24,001- 39,000	304,155	16 %	282,810	10 %
39,001- 60,000	253,402	13 %	385,291	13 %
60,001- 80,000	147,366	8 %	327,971	11 %
OVER 80,000	295,562	16 %	1,745,714	60 %
TOTAL	1,885,230	100 %	$ 2,921,434	100 %

For Tax Year 2011

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	508,015	27 %	$ 25,527	1 %
12,001- 24,000	391,371	21 %	148,582	6 %
24,001- 39,000	301,431	16 %	275,551	10 %
39,001- 60,000	251,925	13 %	377,668	14 %
60,001- 80,000	145,089	8 %	318,738	12 %
OVER 80,000	280,952	15 %	1,509,678	57 %
TOTAL	1,878,783	100 %	$ 2,655,744	100 %

For Tax Year 2010

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	491,334	27 %	$ 18,570	1 %
12,001- 24,000	379,344	21 %	135,460	6 %
24,001- 39,000	299,181	15 %	268,620	11 %
39,001- 60,000	248,925	14 %	361,130	15 %
60,001- 80,000	144,736	8 %	305,220	12 %
OVER 80,000	270,012	15 %	1,338,410	55 %
TOTAL	1,833,532	100 %	$ 2,427,410	100 %

REVENUE CAPACITY
Principal Revenue Payers: Corporate Income Tax Filers and Liability

Last Nine Years

For Tax Year 2018

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	8,057	61 %	$ 6,273	1 %
50,001- 100,000	1,309	10 %	6,081	1 %
100,001- 500,000	2,231	17 %	34,029	6 %
500,001- 1,000,000	588	4 %	26,991	4 %
1,000,001- and higher	1,084	8 %	519,441	88 %
TOTAL	13,269	100 %	$ 592,815	100 %

For Tax Year 2017

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	7,877	63 %	$ 6,082	1 %
50,001- 100,000	1,279	10 %	5,969	1 %
100,001- 500,000	1,962	16 %	29,468	6 %
500,001- 1,000,000	514	4 %	23,512	5 %
1,000,001- and higher	896	7 %	423,207	87 %
TOTAL	12,528	100 %	$ 488,238	100 %

For Tax Year 2016

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	8,055	63 %	$ 6,266	1 %
50,001- 100,000	1,319	10 %	6,094	1 %
100,001- 500,000	1,924	15 %	28,905	6 %
500,001- 1,000,000	532	4 %	24,087	5 %
1,000,001- and higher	927	7 %	450,021	87 %
TOTAL	12,757	100 %	$ 515,373	100 %

For Tax Year 2015

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	7,986	64 %	$ 6,143	1 %
50,001- 100,000	1,265	10 %	5,851	1 %
100,001- 500,000	1,836	15 %	27,060	6 %
500,001- 1,000,000	497	4 %	22,880	5 %
1,000,001- and higher	907	7 %	420,765	87 %
TOTAL	12,491	100 %	$ 482,699	100 %

For Tax Year 2014

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	7,734	65 %	$ 5,884	1 %
50,001- 100,000	1,200	10 %	5,347	1 %
100,001- 500,000	1,684	14 %	23,184	5 %
500,001- 1,000,000	474	4 %	19,948	5 %
1,000,001- and higher	839	7 %	369,388	88 %
TOTAL	11,931	100 %	$ 423,751	100 %

For Tax Year 2013

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	18,897	82 %	$ 5,655	1 %
50,001- 100,000	1,152	5 %	5,234	1 %
100,001- 500,000	1,660	7 %	23,928	5 %
500,001- 1,000,000	437	2 %	18,766	4 %
1,000,001- and higher	810	4 %	400,521	89 %
TOTAL	22,956	100 %	$ 454,104	100 %

For Tax Year 2012

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	19,466	82 %	$ 5,635	1 %
50,001- 100,000	1,137	5 %	5,277	1 %
100,001- 500,000	1,726	7 %	25,689	6 %
500,001- 1,000,000	432	2 %	19,911	5 %
1,000,001- and higher	835	4 %	385,641	87 %
TOTAL	23,596	100 %	$ 442,153	100 %

For Tax Year 2011

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	18,652	83 %	$ 5,579	1 %
50,001- 100,000	1,112	5 %	5,140	1 %
100,001- 500,000	1,594	7 %	23,728	6 %
500,001- 1,000,000	434	2 %	20,141	5 %
1,000,001- and higher	729	3 %	371,488	87 %
TOTAL	22,521	100 %	$ 426,076	100 %

For Tax Year 2010

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	18,989	85 %	$ 5,448	1 %
50,001- 100,000	1,023	5 %	4,703	1 %
100,001- 500,000	1,398	6 %	20,888	5 %
500,001- 1,000,000	348	1 %	16,250	4 %
1,000,001- and higher	689	3 %	360,704	89 %
TOTAL	22,447	100 %	$ 407,993	100 %

For Tax Year 2009

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	18,232	84 %	$ 5,295	2 %
50,001- 100,000	989	5 %	4,498	1 %
100,001- 500,000	1,392	6 %	19,764	6 %
500,001- 1,000,000	377	2 %	16,337	5 %
1,000,001- and higher	653	3 %	279,096	86 %
TOTAL	21,643	100 %	$ 324,990	100 %

Note: Due to legal confidentiality issues, the names of the ten largest individual income tax payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's income tax revenue.
Source: Alabama Department of Revenue
Year 2018 is the most recent data available.

DEBT CAPACITY
Ratios of Outstanding Debt

Last Ten Fiscal Years
(Amounts in Thousands, Except Per Capita Amount)

	2020	2019	2018	2017	2016
Primary Government					
Governmental Activities:					
General Obligation Bonds	$ 645,508	$ 722,855	$ 609,633	$ 673,634	$ 722,383
Revenue Bonds	3,958,647	4,096,310	4,429,103	4,753,950	3,667,728
Capital Leases/Notes/Mortgages	169,010	177,556	188,709	192,297	191,200
Total Governmental Activities	**4,773,165**	**4,996,721**	**5,227,445**	**5,619,881**	**4,581,311**
Business-type Activities:					
Revenue Bonds	337,677	354,230	367,169	327,401	344,610
Capital Leases/Notes/Mortgages	940	1,009	1,117	1,217	4,518
Total Business-Type Activities	**338,617**	**355,239**	**368,286**	**328,618**	**349,128**
Total Primary Government	**$ 5,111,782**	**$ 5,351,960**	**$ 5,595,731**	**$ 5,948,499**	**$ 4,930,439**
Debt as a percentage of Personal Income †	2.36 %	2.59 %	2.81 %	3.05 %	2.61 %
Amount of Debt per Capita †	$ 998	$ 1,095	$ 1,188	1235	$ 1,022

Notes: Details regarding the State's outstanding debt can be found in Note 5 of the financial statements.
Fiscal year 2020 personal income and population data are estimated.
All years presented with revised population and personal income data.
† See the Schedule of Demographic and Economic Information on page 334 for personal income and population data.

2015	2014	2013	2012	2011
$ 631,497	$ 680,476	$ 705,367	$ 713,718	$ 748,183
3,942,889	3,517,971	3,580,726	3,044,393	3,176,226
180,902	184,946	173,661	181,117	144,811
4,755,288	**4,383,393**	**4,459,754**	**3,939,228**	**4,069,220**
354,408	363,695	365,556	373,101	380,313
4,607	5,848	5,442	6,840	8,871
359,015	**369,543**	**370,998**	**379,941**	**389,184**
$ 5,114,303	**$ 4,752,936**	**$ 4,830,752**	**$ 4,319,169**	**$ 4,458,404**
2.77 %	2.61 %	2.64 %	2.72 %	2.54 %
$ 1,070	$ 973	$ 929	$ 929	$ 839

DEBT CAPACITY
Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Amounts in Thousands, Except Per Capita Amount)

Fiscal Year	General Obligation Bonds Payable	Revenue Bonds	Total Debt Outstanding	Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of of Personal Income †	Per Capita †
2020	645,508	3,958,647	4,604,155	256,614	4,347,541	2.01%	887
2019	722,855	4,096,310	4,819,165	224,838	4,594,327	2.23%	890
2018	609,633	4,429,103	5,038,736	209,181	4,829,555	2.43%	971
2017	673,634	4,753,950	5,427,584	175,120	5,252,464	2.70%	1,057
2016	722,383	3,667,728	4,390,111	156,430	4,233,681	2.24%	872
2015	631,497	3,942,889	4,574,386	138,428	4,435,958	2.40%	901
2014	680,476	3,517,971	4,198,447	136,111	4,062,336	2.23%	808
2013	705,367	3,580,726	4,286,093	120,716	4,165,377	2.38%	858
2012	713,718	3,044,393	3,758,111	172,030	3,586,081	2.07%	727
2011	748,183	3,176,226	3,924,409	152,556	3,771,853	2.23%	760
2010	775,893	3,163,629	3,939,522	156,883	3,782,639	2.32%	766

Note: Details regarding the State's outstanding debt can be found in Note 5 of the financial statements.
† See the Schedule of Demographic and Economic Information on page 334 for personal income and population data.
Fiscal year 2020 personal income and population data are estimated.
All years presented with revised population and personal income data.

The *Constitution of Alabama of 1901* prohibits the issuance of debt by the State. The State does issue revenue bonds which are limited obligations of public corporations governed by State officials. General Obligation bonds are issued only by voter ratified amendments to the *Constitution of Alabama of 1901*.

DEBT CAPACITY
Pledged Revenue Coverage - Primary Government Revenue Bonds

Last Ten Fiscal Year
(Amounts in Thousands)

	2020	2019	2018	2017	2016
State Port Authority					
Revenue-Charges for facilities usage	$ 139,822	$ 158,449	$ 134,936	$ 125,872	$ 119,691
Debt Service					
Principal	12,425	11,825	9,115	10,295	9,755
Interest	14,505	14,255	13,994	15,904	16,732
Coverage [1]	5.19	6.08	5.84	4.80	4.52
Federal Aid Highway Finance Authority					
Revenue-Federal Revenue	$ 960,606	$ 1,037,932	$ 945,506	$ 831,961	$ 879,343
Debt Service					
Principal	49,735	47,370	45,110	31,080	29,830
Interest	64,104	66,472	68,728	47,920	39,188
Coverage [1]	8.44	9.12	8.31	10.53	12.74
Alabama Incentives Financing Authority					
Tennessee Valley Exhibit Commission					
Revenue-Tennessee Valley Electric Payment	$ 14,847	$ 14,609	$ 14,866	$ 14,910	$ 16,152
Debt Service					
Principal	7,555	6,575	6,290	6,015	5,770
Interest	8,875	11,366	11,653	11,925	12,170
Coverage [1]	0.90	0.81	0.83	0.83	0.90
Alabama Economic Settlement Authority					
Revenue-BP Settlement	$ 53,333	$ 53,333	$ 50,000	$ —	$ —
Debt Service					
Principal	32,000	31,005	26,755	—	—
Interest	21,838	22,819	23,665	17,749	—
Coverage [1]	0.99	0.99	0.99	—	—

Details regarding the State's outstanding bonds can be found in Note 5 of the financial statements.

[1] Coverage equals revenue divided by debt service.

2015	2014	2013	2012	2011
$ 144,886	$ 162,318	$ 147,508	$ 144,686	$ 121,533
9,245	8,770	8,290	7,895	7,525
16,955	17,063	17,350	17,983	16,775
5.53	6.28	5.75	5.59	5.00
$ 900,906	$ 941,952	$ 913,307	$ 823,507	$ 923,363
23,740	22,675	14,540	13,930	13,605
30,063	18,562	14,440	3,412	5,259
16.74	22.84	31.52	47.49	48.95
$ 17,513	$ 18,118	$ 19,055	$ 20,642	$ 19,903
5,550	5,360	6,025	5,045	4,935
12,384	12,573	11,919	6,977	7,088
0.98	1.01	1.06	1.72	1.66
$ —	$ —	$ —	$ —	$ —
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—

Continued on next page

DEBT CAPACITY
Pledged Revenue Coverage - Primary Government Revenue Bonds
(Continued from previous page)
Last Ten Fiscal Year
(Amounts in Thousands)

	2020	2019	2018	2017	2016
Public School and College Authority					
Revenue-General Sales Tax, Utility Tax, Use Tax	$ 2,782,879	$ 2,761,493	$ 2,656,156	$ 2,554,547	$ 2,524,359
Debt Service					
Principal	134,840	204,555	190,995	192,160	180,905
Interest	63,195	72,056	81,021	89,823	97,566
Coverage [1]	14.05	9.98	9.76	9.06	9.07
Mental Health Financing Authority					
Revenue-Cigarette Tax	$ 36,504	$ 33,723	$ 32,291	$ 31,377	$ 30,710
Debt Service					
Principal	1,945	1,895	1,850	1,805	1,760
Interest	171	211	250	288	326
Coverage [1]	17.25	16.01	15.38	14.99	14.72
Alabama Revolving Fund Authority					
Revenue-Mobile Telecommunications Tax	$ 26,741	$ 33,103	$ 28,545	$ 45,051	$ 50,447
Debt Service					
Principal	1,120	1,070	1,030	990	960
Interest	708	760	808	849	886
Coverage [1]	14.63	18.09	15.53	24.50	27.33
Alabama Twenty-first Century Authority					
Revenue-Tobacco Settlement	$ 16,000	$ 16,000	$ 16,000	$ 13,000	$ 13,000
Debt Service					
Principal	14,465	13,760	13,085	9,585	9,160
Interest	1,485	2,173	2,827	3,306	3,673
Coverage [1]	1.00	1.00	1.01	1.01	1.01
Alabama Highway Finance Corporation					
Revenue-0.07 Gasoline Tax, 0.13 diesel fuel tax, 0.06 diesel fuel tax, motor carrier tax, inspection fees, identification marker fees	$ 369,017	$ 381,026	$ 391,086	$ 365,276	$ 346,376
Debt Service					
Principal	3,690	3,625	3,565	3,510	3,450
Interest	127	188	249	308	368
Coverage [1]	96.68	99.93	102.54	95.67	90.72

Details regarding the State's outstanding bonds can be found in Note 5 of the financial statements.

[1] Coverage equals revenue divided by debt service.

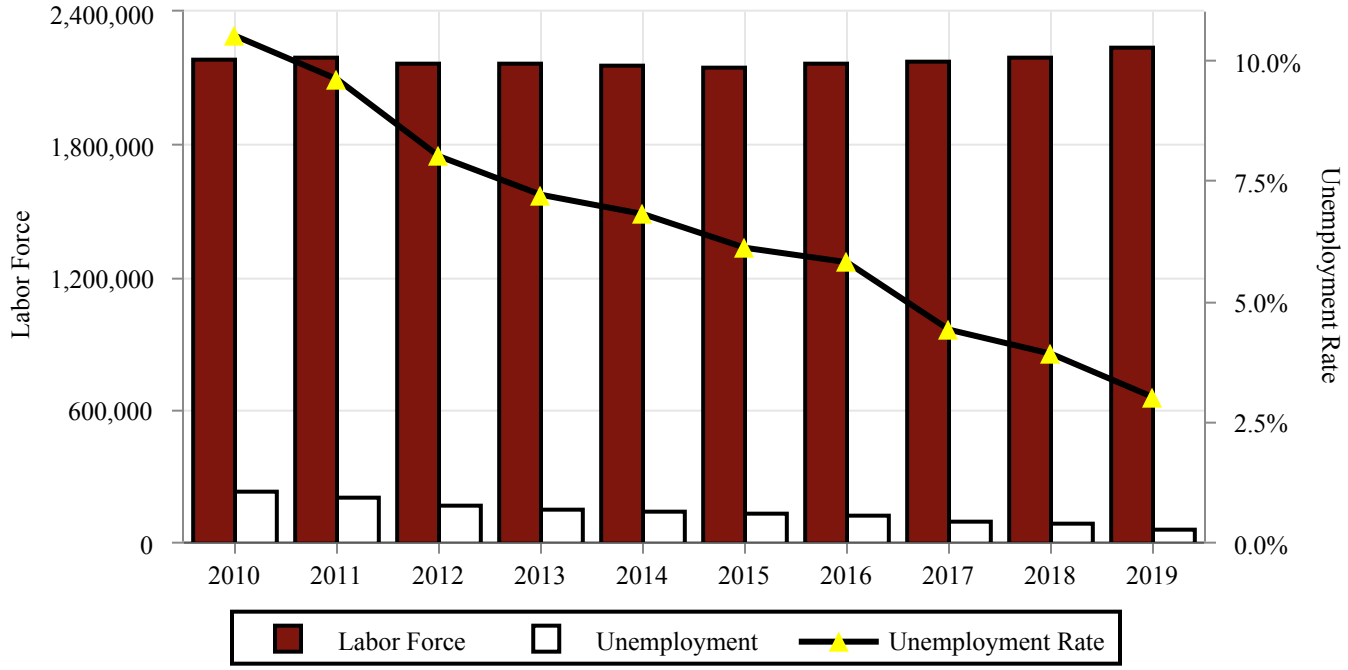
2015	2014	2013	2012	2011
$ 2,441,906	$ 2,459,428	$ 2,353,497	$ 2,441,387	$ 2,370,684
168,460	178,200	163,325	101,770	69,180
101,762	115,995	108,860	123,123	114,892
9.04	8.36	8.65	10.86	12.88
$ 26,260	$ 25,095	$ 5,652	$ 5,930	$ 6,121
1,700	1,650	1,400	1,325	1,255
383	437	448	195	234
12.61	12.02	3.06	3.90	4.11
$ 57,320	$ 70,117	$ 80,511	$ 82,404	$ 94,790
930	905	885	865	—
916	940	962	984	746
31.05	38.00	43.59	44.57	127.06
$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000
8,820	8,525	180	6,530	6,205
4,025	4,281	4,287	7,110	6,339
1.01	1.02	2.91	0.95	1.04
354,209	$ —	$ —	$ —	$ —
3,410	—	—	—	—
405	—	—	—	—
92.85	—	—	—	—

DEMOGRAPHIC AND ECONOMIC INFORMATION
Labor Force Statistics

Last Ten Years

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	$2,196,042	$1,964,559	$231,483	10.5%
2011	$2,202,670	$1,990,413	$212,257	9.6%
2012	$2,176,337	$2,003,290	$173,047	8.0%
2013	$2,174,000	$2,017,043	$156,957	7.2%
2014	$2,160,842	$2,014,290	$146,552	6.8%
2015	$2,158,293	$2,026,898	$131,395	6.1%
2016	$2,177,209	$2,049,971	$127,238	5.8%
2017	$2,178,243	$2,081,676	$96,567	4.4%
2018	$2,198,837	$2,112,347	$86,490	3.9%
2019	$2,241,747	$2,174,483	$67,264	3.0%

Civilian Labor Force Trend with Unemployment Rates



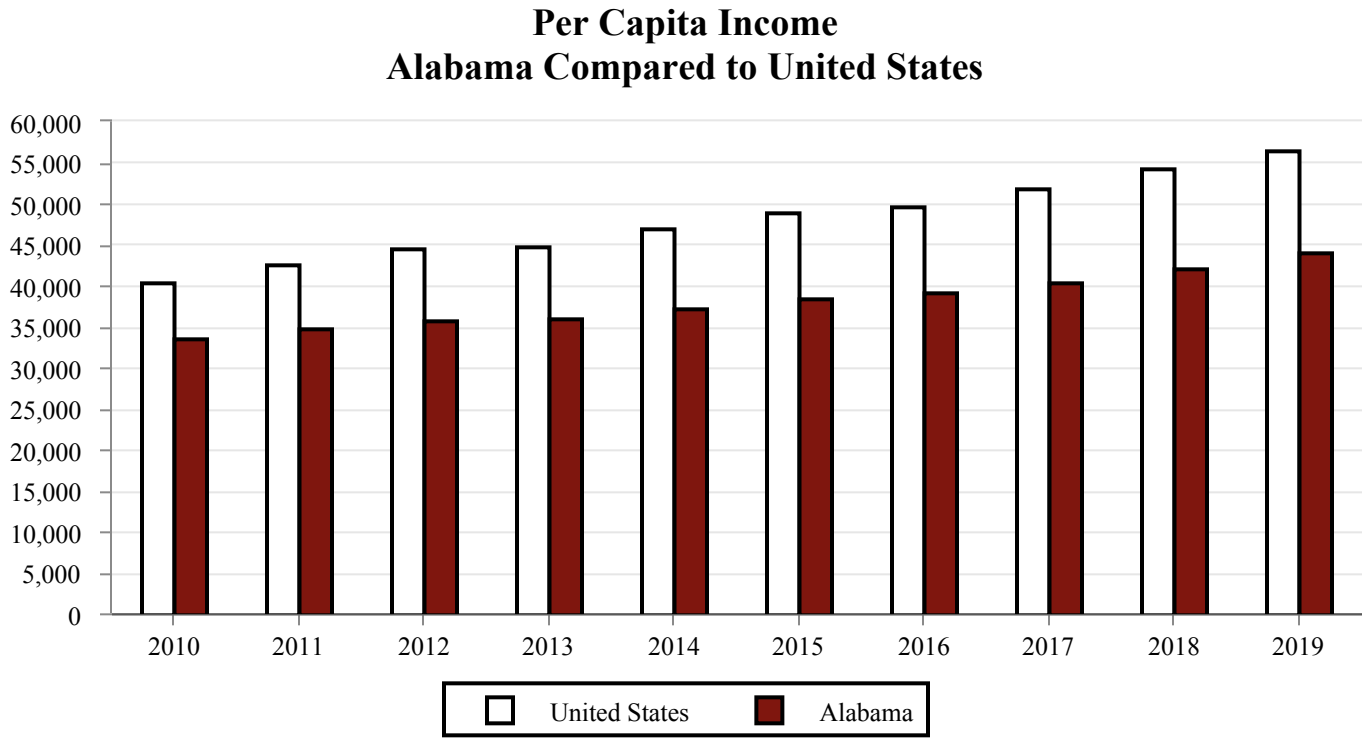
Note: Averages for calendar year and not seasonally adjusted.
2010-2018 data reflects revised population controls and model reestimation with the Bureau of Labor Statistics.

Sources: Local Area Unemployment Statistics, Bureau of Labor Statistics, U. S. Department of Labor

DEMOGRAPHIC AND ECONOMIC INFORMATION
Population/Per Capita Personal Income Statistics

Last Ten Years

	Population		Per Capita Personal Income		Personal income (in Thousands)	
Year	**United States**	**Alabama**	**United States**	**Alabama**	**United States**	**Alabama**
2010	309,326,085	4,785,448	$40,546	$33,752	$12,541,995,000	$161,516,600
2011	311,580,009	4,798,834	42,735	34,997	13,315,478,000	167,942,800
2012	313,874,218	4,815,564	44,599	35,884	13,998,383,000	172,804,100
2013	316,057,727	4,830,460	44,851	36,107	14,175,503,000	174,415,500
2014	318,386,421	4,842,481	47,058	37,266	14,982,715,000	180,457,800
2015	320,742,673	4,853,160	48,978	38,644	15,709,242,000	187,544,400
2016	323,071,342	4,864,745	49,870	39,224	16,111,636,000	190,814,700
2017	325,147,121	4,875,120	51,885	40,467	16,870,106,000	197,283,200
2018	327,167,434	4,887,871	54,446	42,238	17,813,035,000	206,455,000
2019	328,239,523	4,903,185	56,490	44,145	18,542,262	216,449,000



Note: Year 2019 is the most recent year for which data are available.
Each year's data is updated by the U.S. Department of Commerce.
Sources: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

DEMOGRAPHIC AND ECONOMIC INFORMATION
Top Ten Employers in Alabama

Last Ten Years

	2020			2019		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.76 %	30,000-39,999	1	1.77 %
Army	20,000-29,999	2	1.26 %	20,000-29,999	2	1.26 %
Publix Alabama LLC	5,000-9,999	3	0.38 %	5,000-9,999	4	0.38 %
The University of Alabama Birmingham	5,000-9,999	4	0.38 %	5,000-9,999	3	0.38 %
U S Postal Service	5,000-9,999	5	0.38 %	5,000-9,999	5	0.38 %
Huntsville Hospital	5,000-9,999	6	0.38 %	5,000-9,999	6	0.38 %
Mobile Education Board	5,000-9,999	7	0.38 %	5,000-9,999	7	0.38 %
Regions Bank	5,000-9,999	8	0.38 %	5,000-9,999	8	0.38 %
UAB Hospital Management LLC	5,000-9,999	9	0.38 %	—	—	— %
The University of Alabama	5,000-9,999	10	0.38 %	5,000-9,999	9	0.38 %
Alabama Power Co Electric	—	—	— %	5,000-9,999	10	0.38 %
Totals	90,000-149,990		6.06 %	90,000-149,990		5.69 %

	2018			2017		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.80 %	30,000-39,999	1	1.82 %
Army	20,000-29,999	2	1.28 %	20,000-29,999	2	1.30 %
University Of Alabama-Birmingham	5,000-9,999	3	0.38 %	5,000-9,999	4	0.39 %
U S Postal Service	5,000-9,999	4	0.38 %	5,000-9,999	3	0.39 %
Publix Alabama LLC	5,000-9,999	5	0.38 %	5,000-9,999	7	0.39 %
Huntsville Hospital	5,000-9,999	6	0.38 %	5,000-9,999	8	0.39 %
Regions Bank	5,000-9,999	7	0.38 %	5,000-9,999	5	0.39 %
Mobile Education Board	5,000-9,999	8	0.38 %	5,000-9,999	6	0.39 %
Alabama Power Co Electric	5,000-9,999	9	0.38 %	5,000-9,999	9	0.39 %
The University of Alabama	5,000-9,999	10	0.38 %	5,000-9,999	10	0.39 %
Totals	90,000-149,990		6.12 %	90,000-149,990		6.24 %

Note: All figures are based on March of each year. Percentage of Total State Employment is based on the midpoints in the ranges given. State of Alabama is excluded.
Source: Alabama Department of Labor - Labor Market Information Division

	2016			2015			2014		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.84 %	30,000-39,999	1	1.87 %	30,000-39,999	1	1.96 %
Army	20,000-29,999	2	1.31 %	20,000-29,999	2	1.33 %	20,000-29,999	2	1.39 %
University Of Alabama-Birmingham	5,000-9,999	3	0.39 %	5,000-9,999	5	0.40 %	5,000-9,999	4	0.41 %
Regions Bank	5,000-9,999	4	0.39 %	5,000-9,999	3	0.40 %	5,000-9,999	3	0.41 %
U S Postal Service	5,000-9,999	5	0.39 %	5,000-9,999	4	0.40 %	5,000-9,999	5	0.41 %
Mobile Education Board	5,000-9,999	6	0.39 %	5,000-9,999	6	0.40 %	5,000-9,999	6	0.41 %
Publix Alabama LLC	5,000-9,999	7	0.39 %	5,000-9,999	8	0.40 %	5,000-9,999	8	0.41 %
Huntsville Hospital	5,000-9,999	8	0.39 %	5,000-9,999	9	0.40 %	5,000-9,999	9	0.41 %
Alabama Power Co Electric	5,000-9,999	9	0.39 %	5,000-9,999	7	0.40 %	5,000-9,999	7	0.41 %
The University of Alabama	5,000-9,999	10	0.39 %	—	—	— %	—	—	— %
Auburn University	—	—	— %	5,000-9,999	10	0.40 %	—	—	— %
Ascension Health Ministry	—	—	— %	—	—	— %	5,000-9,999	10	0.41 %
Totals	90,000-149,990		6.27 %	90,000-149,990		6.40 %	90,000-149,990		6.63 %

	2013			2012			2011		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.96 %	30,000-39,999	1	1.93 %	30,000-39,999	1	1.93 %
Army	20,000-29,999	2	1.39 %	20,000-29,999	2	1.38 %	20,000-29,999	2	1.38 %
Mobile Education Board	5,000-9,999	3	0.41 %	5,000-9,999	3	0.41 %	5,000-9,999	3	0.41 %
University of Alabama - Birmingham	5,000-9,999	4	0.41 %	5,000-9,999	5	0.41 %	5,000-9,999	5	0.41 %
U S Postal Service	5,000-9,999	5	0.41 %	5,000-9,999	4	0.41 %	5,000-9,999	4	0.41 %
Alabama Power Co Electric	5,000-9,999	6	0.41 %	5,000-9,999	6	0.41 %	5,000-9,999	6	0.41 %
Regions Bank	5,000-9,999	7	0.41 %	5,000-9,999	8	0.41 %	5,000-9,999	7	0.41 %
Huntsville Hospital	5,000-9,999	8	0.41 %	5,000-9,999	9	0.41 %	5,000-9,999	9	0.41 %
Publix Alabama LLC	5,000-9,999	9	0.41 %	—	—	— %	—	—	— %
Auburn University	5,000-9,999	10	0.41 %	—	—	— %	—	—	— %
University of Alabama	—	—	— %	5,000-9,999	10	0.41 %	5,000-9,999	10	0.41 %
U. Of Ala In Bham Medical Center	—	—	— %	5,000-9,999	7	0.41 %	5,000-9,999	8	0.41 %
Totals	90,000-149,990		6.63 %	90,000-149,990		6.59 %	90,000-149,990		6.59 %

OPERATING INFORMATION
State Government Employment by Function

Last Ten Years

	2020	2019	2018	2017	2016
Primary Government					
Governmental Activities:					
Economic Development and Regulation	699	688	689	698	696
Education and Cultural Resources	1,345	1,067	1,019	1,010	1,027
Natural Resources and Recreation	1,309	1,313	1,284	1,340	1,325
Health	4,947	5,142	5,163	5,225	5,312
Social Services	5,931	6,024	6,016	5,989	6,050
Protection of Person and Property	7,885	7,744	7,426	7,461	7,531
Transportation	4,368	4,386	4,320	4,320	4,310
General Government	4,693	4,290	3,794	3,868	3,802
Total Governmental Activities	**31,177**	**30,654**	**29,711**	**29,911**	**30,053**
Business-type Activities:					
Alcoholic Beverage Control Board	889	874	864	840	818
State Port Authority	163	168	161	167	176
Total Business-Type Activities	**1,052**	**1,042**	**1,025**	**1,007**	**994**
Total Primary Government	**32,229**	**31,696**	**30,736**	**30,918**	**31,047**

Note: Includes State Merit System, House, Senate, and Administrative Office of the Courts.

Sources: Alabama Personnel Department
Alabama Commission on Higher Education
Alabama Administrative Office of the Courts
Alabama House of Representatives
Alabama Senate

2015	2014	2013	2012	2011
673	664	684	704	731
998	973	856	832	851
1,410	1,460	1,448	1,461	1,471
5,231	5,441	5,077	6,017	5,406
6,133	6,162	5,997	6,089	6,267
7,883	7,750	8,255	8,394	8,220
4,375	4,320	4,271	4,355	4,613
5,312	4,469	4,048	4,031	4,464
32,015	**31,239**	**30,636**	**31,883**	**32,023**
794	879	896	899	902
188	187	187	188	185
982	**1,066**	**1,083**	**1,087**	**1,087**
32,997	**32,305**	**31,719**	**32,970**	**33,110**

OPERATING INFORMATION
Indicators of Demand or Level of Service

Last Ten Fiscal Years

	2020	2019	2018	2017	2016
Economic Development and Regulation					
Forestry Commission					
Number of fires	998	1,565	967	3,371	1,637
Average acres burned	13	13	12	14	12
Agriculture and Industries					
Pounds of meat processed under inspection	79,197,000	82,661,000	94,404,561	84,200,561	85,033,628
Educational and Cultural Resources					
Education Department					
Teachers	46,767.23	46,766.11	46,715	45,991	46,349
Number of local schools supported	1,339	1,336	1,342	1,338	1,467
Number of children served	724,178	722,212	726,924	730,175	730,563
Natural Resources and Recreation					
Conservation and Natural Resources					
Number of guests to outdoor recreational sites	3,126,537	2,972,109	3,601,331	3,725,131	3,777,838
Acres of land managed	482,773	475,088.83	468,478.91	461,659	447,886
Number of registered boats	264,849	264,855	262,529	264,910	265,133
Health - Physical and Mental					
Public Health					
Vital records issued	726,652	707,836	692,900	672,086	643,434
Medicaid					
Average number of monthly recipients	405,314	434,581	436,343	435,349	434,201
Average Number of claims processed monthly	1,772,215	1,941,211	1,913,874	1,774,599	1,766,065
Social Services					
Industrial Relations					
Employment Security claims	837,421	131,278	141,635	150,606	156,175
Human Resources					
Number of visits to licensed child care centers	2,755	3,794	4,816	4,464	4,953
Child support caseload	210,423	214,719	218,318	219,994	221,810
Households receiving food assistance	349,654	344,188	360,067	375,919	399,728
Number of child abuse/neglect assessments	27,244	29,091	28,075	27,891	27,077
Protection of Persons and Property					
Department of Corrections					
Number of inmates	18,409	20,953	20,090	21,213	23,328
Public Safety					
Arrest tickets issued	259,677	223,300	263,729	248,675	297,568
Accidents investigated	31,168	32,358	31,950	31,914	32,109
Pardons and Paroles					
Number of board decisions	3,213	7,951	8,963	8,556	7,362
Number of offenders supervised	64,804	63,081	68,793	66,667	54,695
Forensic Sciences					
Number of death cases investigated	2,335	2,211	4,370	2,889	2,717
Transportation					
Transportation Department					
Roadway miles	10,875	10,887	10,888	10,889	10,873
Bridges	5,414	5,409	5,406	5,395	5,431
General Government					
Administrative Office of Courts					
Caseload	1,507,617	1,645,982	1,604,366	1,646,259	1,628,320
Revenue Department					
Number of payments received	3,458,064	3,454,039	3,359,377	3,283,117	3,222,830

2015	2014	2013	2012	2011
2,377	1,485	1,682	1,421	3,665
13	16	13	12	19
86,648,858	83,532,371	104,532,371	87,148,545	92,168,293
46,480	46,232	46,089	46,073	47,573
1,480	1,491	1,501	1,496	1,523
740,567	740,567	739,295	743,130	749,084
3,613,957	3,524,785	4,231,342	3,992,768	3,899,694
441,351	436,445	424,621	318,535	293,559
262,332	263,893	266,697	266,003	250,402
617,154	572,855	552,565	471,065	440,327
436,796	422,142	422,448	416,558	411,062
1,769,199	1,697,512	1,830,587	1,799,182	1,785,966
198,482	217,804	256,490	284,253	346,020
2,263	2,508	2,420	2,581	3,203
227,360	232,252	236,273	236,000	234,000
417,943	419,552	421,302	411,710	387,214
24,505	22,151	20,456	19,884	19,538
24,191	24,816	25,340	25,376	25,651
267,182	236,958	289,757	411,086	436,802
30,850	28,423	29,150	31,544	30,227
7,239	7,967	9,450	11,946	11,097
66,736	64,534	64,525	67,339	75,132
2,433	2,631	2,464	2,394	2,476
10,874	10,871	10,871	10,870	10,849
5,390	5,401	5,393	5,390	5,395
1,630,981	1,682,245	1,814,366	2,039,383	2,248,910
3,162,976	3,104,588	2,925,412	3,460,511	4,368,358

OPERATING INFORMATION
Indicators of Volume, Usage, and Nature of Capital Assets

Last Ten Fiscal Years

	2020	2019	2018	2017	2016
Economic Development and Regulation					
Forestry Commission					
Buildings	3	3	3	3	3
Vehicles	338	361	360	360	362
Heavy Equipment	332	346	346	345	358
Natural Resources and Recreation					
Conservation and Natural Resources					
Buildings	88	87	87	87	85
Vehicles	718	701	707	696	633
Heavy Equipment	201	205	198	197	169
Health					
Environmental Management					
Vehicles	181	177	185	174	168
Mental Health					
Buildings	20	20	20	20	20
Vehicles	60	50	43	37	37
Social Services					
Human Resources					
Buildings	41	40	40	39	39
Protection of Persons and Property					
Agriculture and Industries					
Vehicles	159	145	138	131	121
Corrections					
Buildings	158	155	149	148	141
Vehicles	604	623	596	552	487
Military					
Buildings	196	189	189	187	185
Alabama Law Enforcement Agency					
Vehicles	1,311	1,230	1,159	1,223	1,189
Youth Services					
Buildings	32	31	31	31	32
Vehicles	46	51	44	44	40
Pardons and Paroles					
Vehicles	399	341	319	303	188
Transportation					
Transportation					
Buildings	115	115	108	101	87
Vehicles	2,387	2,200	2,268	2,237	2,277
Heavy Equipment	1,136	1,138	1,145	1,172	1,136
General Government					
Administrative Office of Courts					
Vehicles	10	10	10	10	9
Revenue Department					
Vehicles	39	37	35	33	12

* Capitalization thresholds for capital assets were revised upward in 2015 resulting in a decrease in the number of items capitalized.

It was not practical to restate years prior to 2015.

2015	2014	2013	2012	2011
3	159	159	159	159
431	400	307	303	360
362	613	569	547	569
85	380	761	671	677
637	743	223	739	740
164	219	—	218	222
176	161	—	173	177
20	85	80	190	190
65	79	—	91	134
37	37	—	36	34
102	158	—	154	165
137	405	535	391	385
491	560	—	503	504
185	646	—	647	657
1,136	1,131	—	1,089	1,372
32	112	86	113	114
35	89	—	85	114
197	324	319	312	329
87	583	2,193	562	526
2,150	2,062	1,096	2,099	2,276
1,193	1,047	—	1,032	1,092
9	14	—	14	22
15	21	29	29	34