Report on the

Annual Comprehensive Financial Report (ACFR)
State of Alabama

Montgomery, Alabama

October 1, 2020 through September 30, 2021

Filed: May 6, 2022

Department of Examiners of Public Accounts

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Rachel Laurie Riddle, Chief Examiner

22-234

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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 Annual Comprehensive Financial Report (ACFR) for the period October 1, 2020 through September 30, 2021. 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

rb

22-234

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Department of
Examiners of Public Accounts

SUMMARY

Annual Comprehensive Financial Report (ACFR)
of the State of Alabama
October 1, 2020 through September 30, 2021

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

The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States. The objective of the audit was to determine whether the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of and for the year ended September 30, 2021, which collectively comprise the State's basic financial statements listed in the ACFR table of contents, are presented fairly in all material respects.

The ***Independent Auditor's Report*** contains unmodified opinions on the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of and for the year ended September 30, 2021.

COMMENT

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

AUDIT FINDINGS

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***. These material weaknesses are summarized below.

- 2021-001 – Material weaknesses were found in the in the contingency planning and disaster recovery procedures at the Department of Labor that would affect 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 2020-001, 2019-001, 2018-001, 2017-001 and 2011-001 which indicates 2011 as the year the finding originally occurred.

- 2021-002 – A material weakness was detected in the Information Services Division of the Department of Finance's contingency planning that would ensure back-up data is available in the event of a natural disaster. This is a repeat of Findings 2020-002, 2019-002, 2018-002, 2017-002 and 2014-001 which indicates 2014 as the year the finding originally occurred.

EXIT CONFERENCE

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

Independent Auditor's Report

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama
Montgomery, Alabama

Report on the 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, 2021, 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	0.04%	0.01%
Business-Type Activities: Alabama State Port Authority	48%	6%
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 Auburn University University of Alabama University of South Alabama Alabama Agricultural and Mechanical University University of Montevallo University of North Alabama University of Alabama at Huntsville University of Alabama at Birmingham	90%	88%
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	86%	59%

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.

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, 2021, 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.

Emphasis of Matter

The State of Alabama's basic financial statements for the year ended September 30, 2021, reflect the provisions of the Governmental Accounting Standards Board's (GASB) Statement Number 84, ***Fiduciary Activities***. The State of Alabama implemented the requirements of GASB Statement Number 84 during the fiscal year. See Note 3B of the accompanying financial statements for the impact of the standard's implementation. Our opinion is not modified with respect to this matter.

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, 2022, 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, 2022

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, 2021, 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, 2022. Our report includes a reference to other auditors who audited the financial statements of certain agencies and funds, as described in our report on the State of Alabama's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Below is a list which indicates the financial statements of the agencies and funds audited by other auditors.

Agencies/Funds Audited by Other Auditors
Alabama Public Health Care Authority
Alabama State Port Authority
State Employees' Insurance Board
Public Education Employees' Health Insurance Fund
Alabama Housing Finance Authority
Alabama Water Pollution Control Authority
Space Science Exhibit Commission
Alabama Drinking Water Finance Authority
University of Alabama
Auburn University
University of Alabama at Birmingham
University of Alabama at Huntsville
University of South Alabama
University of North Alabama
University of Montevallo
Alabama Agricultural and Mechanical University
Retirement Systems of Alabama
Employees' Savings Plans (PEIRAF and RSA-1)
Retired Education Employees' Health Care Trust
Retired State Employees' Health Care Trust
Prepaid Affordable College Tuition Program
Alabama College Education Savings Plan

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

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal controls described below, as Findings 2021-001 and 2021-002, 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 2021-001 (formerly reported as Findings 2020-001, 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 2021-002 (formerly reported Findings 2020-002, 2019-002, 2018-002, 2017-002 and 2014-001) – Disaster Recovery and Contingency Planning – Material Weakness

We reviewed the internal control policies and procedures affecting the ability of the Department of Finance 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, 2022

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, 2021

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, 2021.

Finding Ref. No.	Corrective Action Plan Details
2021-001	*This is a repeat of Findings 2020-001, 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. 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.

Response/Views: We agree with these finding.

Corrective Action Planned: ADOL's disaster recovery plan is currently going through the final stages of assigning names to the positions and updating contact information. The current plan is in a cloud based electronic system. This system plan reflects updates to hardware, software, and personnel; and is going to be reviewed 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 decreases 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: ADOL did meet the anticipated July 1, 2021 date for the review and implementation of a disaster recovery plan, however, upon review ADOL found the plan lacking and decided to not submit the plan until ADOL could make the plan more complete. ADOL has been working on the disaster recovery plan since the 2021 finding and has not had enough resources to complete in time for this year's single audit. Also, with the rollout of the new IRS 1075 requirements in November of 2021, ADOL has had to take extra time to review and ensure that it meets all the new, relevant guidelines.

Anticipated Completion Date: May 6th, 2022 (Revised and Completed)

Contact Person(s): **John Demas | ADOL IT Director (John@alabama.gov)**

Signature of Responsible Official: Fitzgerald Washington

Secretary of Labor | Fitzgerald Washington

STATE OF ALABAMA
Office of Information Technology
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Telephone (334) 242-3800

KAY IVEY
Governor

HENRY M. REDDEN
Secretary

Response and Corrective Action Plan to finding 2021-002

Auditee Response/Corrective Action Plan
For the Year Ended September 30, 2021

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, 2021.

Finding Ref. No.	Corrective Action Plan Details
2021-002 .	This is a repeat of Findings 2020-002, 2019-002, 2018-002, 2017-002, and 2014-001, which indicates 2014 as the year the finding originally occurred. ***Disaster Recovery and Contingency Planning – Material Weakness*** We reviewed the internal control policies and procedures affecting the ability of the Department of Finance 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.

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Telephone (334) 242-3800

KAY IVEY
Governor

HENRY M. REDDEN
Secretary

Corrective Action Planned: The Office of Information Technology (OIT) negotiated a lease with a 3rd party Data Center provider in Birmingham, AL to facilitate Disaster Recovery services. OIT finalized the network design and ordered all necessary network and datacenter infrastructure required to provide "warm site" recovery at this location for selected OIT provided 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: OIT has experienced significant shipping delays for critical network components due to supply chain issues associated with the Pandemic. OIT has received most of the network equipment ordered, but still lack critical components to design, build, and implement the new computing environment. The last shipping update received from our supplier was March 30, 2022.

As a result of these supply chain delays, OIT has accelerated the decommissioning of the current data backup site in Tuscaloosa, AL. This phase was reprioritized due to the current lease with the University of Alabama expiring in August of 2022. This will allow OIT to move current assets to the final Disaster Recovery location in preparation for the consolidation into a single network and facility for operations.

Anticipated Completion Date: December 31th, 2022. The consolidation of Tuscaloosa into Birmingham will be completed by this date along with the enablement of a new Network capable of providing limited Disaster Recovery services. This will enable OIT to enable enterprise services that other customers depend on to support their business operations. Additionally, OIT can continue 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.

STATE OF ALABAMA
Office of Information Technology

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KAY IVEY
Governor

HENRY M. REDDEN
Secretary

Response and Corrective Action Plan to finding 2021-002

Auditee Response/Corrective Action Plan
For the Year Ended September 30, 2021

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

Signature of Responsible Official:

STATE OF ALABAMA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2021

Kay Ivey
Governor

Young Boozer
State Treasurer

Bill Poole
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

Bill Poole
Finance Director

Michael G. Hudson, CGFM
Deputy State Comptroller

March 31, 2022

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

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the State of Alabama for the year ended September 30, 2021. 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 ACFR has been audited by the Department of Examiners of Public Accounts. The Examiners conducted their audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Examiners' unmodified opinion appears at the beginning of the financial section of this report. The State will also undergo an audit of federal programs to conform to the requirements of the *Single Audit Act Amendments of 1996* and *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements (Uniform Guidance)*. Information relating to the single audit, including the schedule of expenditures of federal awards, and audit findings and recommendations, is issued in a separate report and will be available at a later date from the Department of Examiners of Public Accounts.

Management's Discussion and Analysis

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

Profile of the Government

Reporting Entity

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

Budgetary Controls

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

Cash Controls

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

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

	2021	2020	2019	2018	2017
Beginning Cash Balance, October 1	**$ 567,967**	**$ 451,534**	**$ 383,840**	**$ 231,278**	**$ 168,591**
Receipts	2,561,533	2,299,168	2,151,955	1,996,118	1,919,834
Disbursements	2,351,194	2,182,735	2,084,261	1,843,556	1,857,147
Net Increase (Decrease) in Cash Balance	**210,339**	**116,433**	**67,694**	**152,562**	**62,687**
Ending Cash Balance, September 30	**778,306**	**567,967**	**451,534**	**383,840**	**231,278**
Cash Balance Reserved for Obligations	72,855	71,726	47,647	57,765	40,904
Unobligated Cash Balance, September 30	**$ 705,451**	**$ 496,241**	**$ 403,887**	**$ 326,075**	**$ 190,374**

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

	2021	2020	2019	2018	2017
Beginning Cash Balance, October 1	**$ 415,243**	**$ 673,374**	**409,773**	**$ 73,079**	**$ 191,977**
Receipts	8,643,813	7,741,235	7,215,276	6,753,485	6,327,327
Disbursements	7,669,597	7,999,366	6,951,675	6,416,791	6,446,225
Net Increase (Decrease) in Cash Balance	**974,216**	**(258,131)**	**263,601**	**336,694**	**(118,898)**
Ending Cash Balance, September 30	**1,389,459**	**415,243**	**673,374**	**409,773**	**73,079**
Cash Balance Reserved for Obligations	58,676	40,303	58,855	58,766	66,160
Unobligated Cash Balance, September 30	**$ 1,330,783**	**$ 374,940**	**$ 614,519**	**$ 351,007**	**$ 6,919**

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)

	2021	2020	2019	2018	2017
General Fund	$ 1,118.4	$ 897.7	$ 701.2	602.7	$ 437.5
Education Trust Fund	1,820.2	816.9	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 2021 fiscal year totaled approximately $19.5 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. A new law modernizing State procurement will go into effect at the beginning of FY 2022. The new payroll/personnel system is scheduled to go live with the first wave of agencies in late 2022 with the remainder to follow in 2023. The State's financial system will be upgraded during 2022 to handle accounting for leases in order to comply with GASB 87 reporting requirements. The financial system is also being upgraded to improve the efficiency of the process of generating large batches of warrants that all have the same accounting entry.

Economic Condition and Outlook

Following a decline in 2020, Alabama's gross domestic product (ALGDP) rose by 5.5 percent in 2021 and is expected to continue to increase in 2022 by 4.3 percent. The State's unemployment rate decreased to 3.1 percent which is below the national average of 5.3 percent. Income taxes were up 14.4 percent due to the stimulus payments made to the households and the payment made to the state under "recovery plans'.

The reopening of businesses and the injection of economic stimulus funds resulted in faster economic and job recovery. Alabama's nonfarm employment jobs increased by 3.2 percent during 2021 with 90 percent of the net job gains occurring in the service providing sector, especially in leisure and hospitality businesses. Job gains were also seen in professional and business services; transportation and warehousing; and manufacturing.

Manufacturing sector rebounded by 4.4 percent in 2021. The construction sector's output improved in the period September 2020 to September 2021 with real output growing by 2.2 percent but had a loss of 3,300 jobs. Wholesale trade increased 5.4 percent and the retail trade sector rebounded 5.2 percent due to the reopening of businesses and person-to-person interactions being resumed.

Exports increased for Alabama in 2021 as the disruptions associated with COVID-19 began to ease in many of the state's export destinations. Alabama exports totaled $15.3 billion in the first nine months of 2021 which was about 24.3 percent above the same period in the previous year. Exports to China, Alabama's largest trade partner, increased from $2.1 billion to $3.1 billion for the first nine months of 2021. Other major export destinations for Alabama products included Canada, Germany, Mexico, and Japan. For the first three quarters of 2021, transportation equipment exports totaled approximately $7.7 billion, up from $6.0 billion during the same period in 2020. Other major exports during the first three quarters of 2021 were chemicals, paper, mineral and ores, primary metals, machinery,computer and electronic products, and agricultural products.

Alabama's economy was able to rebound in fiscal year 2021 with the help of stimulus funds being injected into the economy and the reopening of businesses. The economy is expected to grow 3.4 percent to reach $213.5 billion in 2022. This growth could be impacted however by the resurgence of COVID-19 variants, supply chain bottlenecks due to the pandemic, and labor shortages. Non-agricultural employment is expected to experience a rise of 1.4 percent, adding approximately 28,700 jobs. Industries with the strongest increases in employment are expected to be motor vehicle parts manufacturing; other durable goods manufacturing; other nondurable goods manufacturing; transportation equipment manufacturing; transportation, warehousing, and utilities; professional and business services; wood products manufacturing; and fabricated metals manufacturing. Local and state government are projected to have modest job growth in the coming year, while federal civilian employment will be negligible.

The State has several tax abatement programs including the Jobs Credit, Investment Credit, Apprenticeship Tax Credit, Film Incentive, Growing Alabama Credit, Historic Rehabilitation Tax Credit, New Markets Tax Credit, and the Port Credit. These programs are expected to result in job creation, capital investment, registered apprenticeship expansion, production company employment, business growth, historic structure preservation, business growth in low-income communities, and increase usage of the port facilities in the long-term in the State.

Acknowledgments

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

Respectfully submitted,

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Alabama

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

PRINCIPAL STATE OFFICIALS

September 30, 2021

EXECUTIVE BRANCH

Kay Ivey
Governor

Will Ainsworth
Lt. Governor

Young Boozer
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

LEGISLATIVE BRANCH

Victor Gaston
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

Bill Poole
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

Kim Boswell
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

Cam Ward
Bureau of Pardons and Paroles

Voters of Alabama

LEGISLATIVE BRANCH

House of Representatives
The Senate
Legislative Services Agency

Examiners of Public Accounts

EXECUTIVE BRANCH

JUDICIAL BRANCH

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

Independent Agencies and Institutions

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

Governor

Alcoholic Beverage Control Board
Bureau of Pardons and Paroles
Commerce
Conservation and Natural Resources
Corrections
Early Childhood Education
Economic and Community Affairs
Emergency Management
Finance
Human Resources
Information Technology
Insurance
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
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Rachel Laurie Riddle
Chief Examiner

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama
Montgomery, Alabama

Report on the 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, 2021, 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	0.04%	0.01%
Business-Type Activities: Alabama State Port Authority	48%	6%
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 Auburn University University of Alabama University of South Alabama Alabama Agricultural and Mechanical University University of Montevallo University of North Alabama University of Alabama at Huntsville University of Alabama at Birmingham	90%	88%
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	86%	59%

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.

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, 2021, 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.

Emphasis of Matter

The State of Alabama's basic financial statements for the year ended September 30, 2021, reflect the provisions of the Governmental Accounting Standards Board's (GASB) Statement Number 84, ***Fiduciary Activities***. The State of Alabama implemented the requirements of GASB Statement No. 84 during the fiscal year. See Note 3B of the accompanying financial statements for the impact of the standard's implementation. Our opinion is not modified with respect to this matter.

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, 2022, 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, 2022

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, 2021. 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 $3.5 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 $26.3 billion (net position). $21.3 billion was the net invested in capital assets, and $3.9 billion was Alabama Trust Capital.
- The State had a net pension liability of $4 billion for the primary government.
- The State had a net other post-employment liability (net OPEB liability) of $987 million for the primary government.
- The Change in Net Position in governmental activities was an increase of $3.38 billion.
- Governmental activities have $7.2 billion in investments, $3.9 billion of which is held in the Alabama Trust Fund.
- Tax revenues for the primary government increased $1.7 billion, or 16 percent, primarily as a result of the economy.
- Income tax revenues increased $1 billion, or 22 percent, primarily because of an increase in taxpayer personal income. Sales and use tax revenues increased $468 million, or 15 percent, primarily because of an economic surge due to consumer spending .
- Total revenues and total expenses increased. Revenues increased $3.47 billion or 12 percent while expenses increased $1 billion, or 4 percent.
- The business-type activities reported net position at year-end of $963 million, a increase of $116 million, or 14 percent, for the fiscal year. The Unemployment Compensation Trust Fund cash was increased by $167 million. The operating revenues for the State Port Authority increased by 8 percent, largely as a result of improved terms within coal handling agreements, strength in general cargo, and improved utilization of commercial real estate.
- The State's total bond debt at the end of the fiscal year was $6.1 billion for the primary government, a increase of $1.1 billion.
- The State issued revenue bonds with a par value of $1.5 billion and premiums of 342.7 million for education related capital projects and loans and grants to local schools.
- Capital Assets increased $215 million to $23.3 billion, which includes $20.6 billion in infrastructure assets.
- The Alabama Trust Fund balance increased by $484 million, or 14 percent, and now stands at $3.9 billion.
- The Alabama Trust Fund investment earnings increased from $266 million to $656 million as a result of an improved stock market.
- General Fund revenues increased slightly by $254 million, while expenditures increased $74 million.
- Education Trust Fund revenues increased $1.24 billion, while expenditures only increased $96 million.
- On a budgetary basis, General Fund revenues and other sources exceeded expenditures and other uses by $714 million. However, on a GAAP (Generally Accepted Accounting Principles) basis, General Fund revenues and other sources exceeded expenditures and other uses by $222 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 $216 million to carry over to fiscal year 2022.

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

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

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds report activities that provide supplies and services to external users in a manner similar to private business enterprises. The major enterprise funds are the Unemployment Compensation Trust, 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 custodial funds are reported using accrual accounting. The government-wide financial statements exclude fiduciary fund activities and balances because the resources of those funds are not available to support the State's own programs.

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

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

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

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The State's combined net position for governmental and business-type activities is $26.3 billion in contrast to the prior year balance of $22.8 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 $215 million, which included $208 million in increases to infrastructure and infrastructure construction in progress. Business-type capital assets increased $13 million, or 2 percent.

The total of Current and Other Assets is $18.9 billion, an increase from the prior year. Included in that amount were cash and cash equivalents of $8.41 billion and $1.23 billion due from other governments. Approximately 28 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 $7.4 billion in investments, $3.9 billion of which is held in the Alabama Trust Fund. Business-type Current and Other Assets increased $115 million, or 13 percent, primarily because the Unemployment Compensation Trust Fund cash increased $167 million.

Of total liabilities, 75 percent are long-term liabilities. The State has $11.3 billion in long term liabilities, which includes $6 billion in bonds payable, $4 billion in net pension liability, and $987 million in net other post-employment health care benefits (OPEB) liability. Total liabilities increased by 9 percent, or $1.3 billion. Bonds payable increased by $1.1 billion while the net OPEB liability decreased $713 million and net pension liability increased $300 million. 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 $951 million, an increase of $236 million . $631 million is pension related, $269 million is OPEB related, and $51 million is losses for bond refundings. Deferred Inflows of Resources is $1.91 billion at the end of the current fiscal year, an increase of $192 million. The increase was related primarily to OPEB deferred inflows which increased due to a reduction in OPEB liability. $20 million is pension related, $1.88 billion is OPEB related, and $5 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 $13.7 billion in restricted net position, an increase of $4 billion 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 $8.8 billion. Business-type activities has an unrestricted net position of $9.7 million.

Net Position as of September 30
(Amounts in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	$ 17,915,541	$ 13,435,449	$ 1,011,439	$ 896,244	$ 18,926,980	$ 14,331,693
Capital Assets	22,646,285	22,444,746	649,487	636,135	23,295,772	23,080,881
Total Assets	**40,561,826**	**35,880,195**	**1,660,926**	**1,532,379**	**42,222,752**	**37,412,574**
Deferred Outflows of Resources	906,304	671,097	44,708	43,661	951,012	714,758
Long-term Liabilities	10,831,936	10,015,345	462,762	504,982	11,294,698	10,520,327
Other Liabilities	3,520,562	3,010,856	192,303	148,452	3,712,865	3,159,308
Total Liabilities	**14,352,498**	**13,026,201**	**655,065**	**653,434**	**15,007,563**	**13,679,635**
Deferred Inflows of Resources	1,818,776	1,614,048	87,916	76,073	1,906,692	1,690,121
Net Position						
Net Investment in Capital Assets	21,006,618	20,773,154	335,839	309,525	21,342,457	21,082,679
Restricted	13,127,851	9,459,541	617,142	530,848	13,744,993	9,990,389
Unrestricted	(8,837,613)	(8,321,652)	9,672	6,140	(8,827,941)	(8,315,512)
Total Net Position	**$ 25,296,856**	**$ 21,911,043**	**$ 962,653**	**$ 846,513**	**$ 26,259,509**	**$ 22,757,556**

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 $12.3 billion, or 37 percent, of the State's total revenue. Tax revenues increased by $1.7 billion, or 16 percent, compared to the previous year primarily as a result the economy. $1 billion of the increased revenue was income taxes, which was up 22 percent primarily because of an increase in taxpayer personal income. Sales and use taxes increased $468 million, or 15 percent, primarily because of an economic surge due to consumer spending. Operating Grants and Contributions revenue increased $588 Million, or 5 percent to $14 billion. Federal revenues increased $549 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 increased $18 million to $ 1 billion. Charges for Services revenue increased $379.3 million, or 13.2 percent.

General revenues were up to $15.65 billion, an increase of $2.48 billion. Grants and contributions not restricted to specific programs, which are included in general revenues, increased by $354 million because of federal grants from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Unrestricted investment earnings were $677 million, a increase of $359 million due to an improved stock market. Total revenues increased more than expenses because of new tax legislation and CARES Act grants. Total revenues increased $3.5 billion, or 12 percent, and total expenses were up $1.2 billion, or 4 percent.

Governmental Activities

Total revenues for governmental activities for the fiscal year were $31.0 billion, an increase of $ 4.7 billion or 18.0 percent. Charges for Services increased by $229 million. Operating Grants and Contributions increased $1,988 million, or 20 percent, primarily because of additional federal funding related to the COVID-19 pandemic. Unrestricted Investment Earnings were up $359 million mostly due to an improved stock market. Taxes increased $1.7 billion, or 16.0 percent, compared to the previous year primarily as a result of the economy. Capital Grants and Contributions increased $20 million, or 2 percent, mostly due to an increase in federal reimbursements related to the COVID-19 pandemic.

Expenses for governmental type activities totaled $27.7 billion, an increase of $3.2 billion or 13 percent. Education and Cultural Resources spending increased $681 million, or 8 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 $298 million, $46 million, $14 million and $195 million, respectively. Expenditures for Health increased $761 million, or 9 percent, as the Hospital Care program increased by $321 million, the Nursing Home Care increased $35 million, and the Pharmaceutical program increased $91 million. Protection of Persons and Property increased $855 million, or 51 percent, primarily because of COVID-19 pandemic related expenditures. Transportation decreased $163 million, or 10 percent due to a large decrease of spending on roadways, bridges, and tunnels. Natural Resources and Recreation spending increased $51 million, or 33 percent, mostly due to increased state grants or awards . Social Services spending increased $780 million, or 29 percent, of which $514 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 60 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 increased by $116 million, or 14% percent. The main driver of the increase is the large decrease in Unemployment Compensation expenditures due to the waning Coronavirus Pandemic as more Alabamans went back to work. Revenues of business-type activities decreased by $1.3 billion. The overwhelming majority of this decrease is due to the reduction in the amount of federal revenues from Operating Grants and Contributions in to the Unemployment Compensation Trust Fund for Coronavirus relief. Operating Grants and Contributions decreased $1.4 billion. Self-generated program revenues accounted for the majority of the revenues other than Operating Grants and Contributions. Only $18 million of the $1.0 billion in revenues other than Operating Grants and Contributions came from general revenues. The program revenues consisted of $1.0 billion of charges for services, an increase of $151 million, or 17 percent. Capital Grants and Contributions were $5,589 thousand; a decrease of 2 million compared to 2020. Of the $57 million in net transfers between governmental activities and business-type activities, the majority was from the Alcoholic Beverage Control Board which transferred $70 million as mandated by law.

Overall business-type expenses were $2.4 billion, an decrease of $2.0 billion. Again, the vast majority of the decrease was due to expenditures related to Coronavirus Relief through the Unemployment Compensation Trust Fund. The Alcoholic Beverage

Control Board expenses increased $39 million, or 9 percent. This increase was due to an increase in expenses associated with supplies, materials, and operating expense. State Port Authority's expenses decreased by $7.8 million, or 5 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 down $2.0 billion. The cash balance in the Unemployment Compensation Trust Fund grew by $167 million due to the outsized decrease in Unemployment Compensation expenditures related to Coronavirus Relief. Nonmajor Proprietary Funds expenses were up $18 million, or 14 percent. This increase is due to increases in expenses related to claims and benefits, as well as in supplies, materials and other operating expenses.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Revenues:						
Program Revenues:						
Charges for Services	$ 2,225,582	$ 1,996,856	$ 1,024,772	$ 874,244	$ 3,250,354	$ 2,871,100
Operating Grants and Contributions	12,098,999	10,110,656	1,511,807	2,912,623	13,610,806	13,023,279
Capital Grants and Contributions	1,058,493	1,038,188	5,589	7,539	1,064,082	1,045,727
General Revenues:						
Taxes	12,241,585	10,554,503	16,886	14,513	12,258,471	10,569,016
Grants and Contributions Not Restricted to Specific Programs	1,343,814	989,614	—	—	1,343,814	989,614
Unrestricted Investment Earnings	677,498	318,707	—	—	677,498	318,707
Miscellaneous	1,369,206	1,284,656	1,739	6,602	1,370,945	1,291,258
Total Revenues	**31,015,177**	**26,293,180**	**2,560,793**	**3,815,521**	**33,575,970**	**30,108,701**
Expenses:						
Economic Development and Regulation	204,741	159,098			204,741	159,098
Education and Cultural Resources	9,151,901	8,470,516			9,151,901	8,470,516
Natural Resources and Recreation	208,426	157,192			208,426	157,192
Health	8,809,281	8,048,514			8,809,281	8,048,514
Social Services	3,498,818	2,719,230			3,498,818	2,719,230
Protection of Persons and Property	2,543,302	1,688,055			2,543,302	1,688,055
Transportation	1,538,344	1,700,982			1,538,344	1,700,982
General Government	1,544,688	1,413,374			1,544,688	1,413,374
Debt Service - Interest and Other Charges	187,691	155,912			187,691	155,912
Unemployment Compensation			1,689,219	3,709,041	1,689,219	3,709,041
State Port Authority			154,052	146,232	154,052	146,232
Alcoholic Beverage Control Board			416,157	377,370	416,157	377,370
Nonmajor Proprietary Funds			128,581	111,013	128,581	111,013
Total Expenses	**27,687,192**	**24,512,873**	**2,388,009**	**4,343,656**	**30,075,201**	**28,856,529**
Increase (Decrease) in Net Position Before Transfers	3,327,985	1,780,307	172,784	(528,135)	3,500,769	1,252,172
Transfers	56,644	(329,801)	(56,644)	329,801	—	—
Change in Net Position	3,384,629	1,450,506	116,140	(198,334)	3,500,769	1,252,172
Net Position- Beginning, as restated	21,912,227	20,461,721	846,513	1,044,847	22,758,740	21,506,568
Net Position- Ending	**$ 25,296,856**	**$ 21,912,227**	**$ 962,653**	**$ 846,513**	**$ 26,259,509**	**$ 22,758,740**

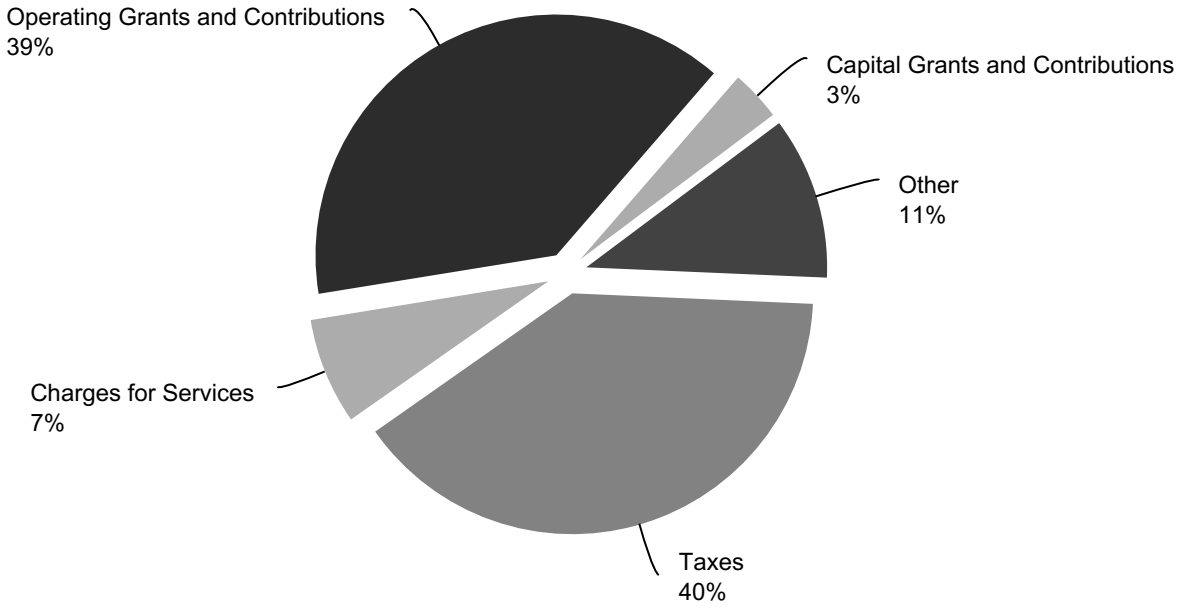
Governmental Activities

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 39 percent.

Income taxes are 47 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 $5.8 billion and sales and use taxes $3.7 billion. Income taxes increased $1.0 billion, or 22 percent, while sales and use taxes increased $468 million, or 15 percent.

Capital grants and contributions are 3 percent of revenues. The Department of Transportation received 93 percent of all capital grants and contributions, primarily for road and bridge related projects. About 96 percent of operating grants and 91 percent of the capital grants were received from the Federal government.

Revenues - Governmental Activities
Fiscal Year Ended September 30, 2021



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 65 percent of the governmental activities expenses for the fiscal year. Social Services accounted for 13 percent of the governmental activities expenses.

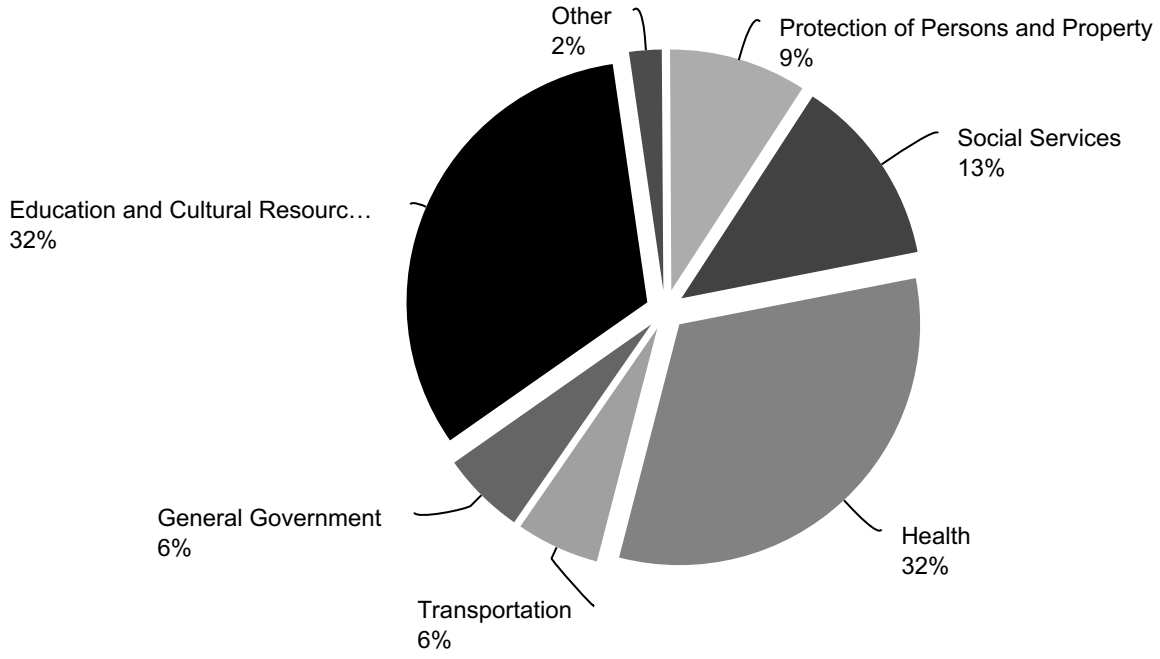
Education and Cultural Resources make up 32 percent of governmental activity expenses, A decrease of 3 percent from the previous year. Transportation decreased to 6 percent and Social Services increased to 13 percent of total expenses, respectively. Within Education and Cultural Resources, 64 percent of expenditures were for the Local Financial Assistance program for K-12 school systems and 14 percent was for the Support of State Universities program. Local Financial Assistance increased $298 million, or 5 percent, and Support for State Universities increased $46 million, or 4 percent.

Health accounted for 32 percent of governmental activity spending, a decrease of 1 percent from the previous year. Medicaid programs account for 79 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 39 percent of all social services spending while 17 percent is spent on various children's programs. Spending on Food Assistance was up $266 million, or 24 percent.

Protection of Persons and Property increased from 7 percent to 9 percent of total spending. The Department of Corrections makes up 23 percent of Protection of Persons and Property spending, while the Alabama Law Enforcement Agency comprises 6 percent and the 911 Board 5 percent.

Expenses - Governmental Activities
Fiscal Year Ended September 30, 2021



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 $13.6 billion. Nonspendable fund balance was $149 million and assigned fund balance was $78 million. Spending restricted for specific purposes comprised $11.8 billion. Those restrictions have been imposed by external parties, constitutional provisions, or enabling legislation. The largest restricted amount of $3.9 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 $7.9 billion of governmental fund balance has been restricted for a wide variety of purposes which includes $452 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 $1.1 billion, $4 million nonspendable fund balance, and $6.1 million assigned fund balance. Revenues for the General Fund were up $254 million, or 12 percent. Taxes increased $229 million. The largest increases in tax revenues to the General Fund were $52 million in simplified sellers use tax and $48 million in insurance premium tax. In addition to new legislation that increased the simplified sellers use tax and changed the distribution of the insurance premium tax, increased collections of the simplified sellers use tax via increased online purchasing caused these increases. The fund balance for the General fund increased by $221 million primarily because of the increase in revenues. Also, the General Fund cash increased by $231 million because of the growth in revenue.

Expenditures for the General Fund increased $74 million, or 4.4 percent. Health expenditures decreased $47 million, or 6.2 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 93 percent of the health expenditures in the General Fund. Due to the transition of Health expenses from the General Fund to Medicaid Fund, spending in the General Fund for Hospital Care decreased $46 million and Pharmaceutical decreased $23 million. Spending on General Government in the General Fund increased $39 million. Prosecution Services increased by $38 million amounting to 97 percent of the total increase in General Government spending. Protection of Persons and Property expenditures increased $73 million. These increases are a reaction to the impact of the COVID-19 pandemic on the prosecutorial and correctional departments of the state, as the revenue sources that these departments are reliant upon were no longer supportive and more financial assistance was needed from the General Fund to ensure these departments could continue activities. The largest spending for Protection of Persons and Property in the General Fund was $547 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 $1,243 million, or 17 percent as compared to the previous fiscal year. Sales and use tax revenues, generated in part by the aforementioned simplified sellers use tax, increased by $219 million and income tax revenues were up by $1.0 billion while mobile telecommunications tax decreased $2 million. The increase in income tax revenues is supported by an overall decrease in unemployment accompanying the wane of the COVID-19 pandemic. Expenditures, as limited by the budget, were up 1 percent, or $96 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 $791 million, with $307 million going to supplement operations of the ETF Advancement and Technology Fund, a Nonmajor Special Revenue fund. PACT received $32 million in transfers as mandated by the legislature in the appropriations acts. Due to Other Funds in the ETF is $5 million, with little to no change from the prior year. The ETF fund balance increased $1.0 billion to a balance of $1.82 billion, as cash and cash equivalents increased $981 million. As ETF revenues increased significantly while expenses remained consistent with prior years, this large increase to the fund is to be expected. The fund balance, while legally restricted to a variety of educational purposes, is all available for those purposes in the next fiscal year.

The Alabama Trust Fund consists of income from the sale or lease of rights for offshore exploration and drilling for oil and gas off the Alabama coast, as well as investment income earned on the accumulated capital. Revenues from royalties and other payments related to the production of oil and gas increased by $14 million during the fiscal year. Investment earnings increased from $266 million to $656 million during the fiscal year due to an improved stock market. Various amendments to the Constitution of Alabama of 1901 require that Alabama Trust income be used to support the General Fund, Forever Wild Land Trust, and a variety of state and local capital projects as well as debt service. In compliance with constitutional requirements, $196 million was transferred out to support these other funds. Transfers to the General Fund were $124 million. During the fiscal year, the amount constitutionally restricted for Trust Capital increases $480 million from the prior year.

The Medicaid Fund accounts for the portion of the Medicaid program that is funded 92% percent by Federal revenues. Federal revenues increased 10 percent, or $549 million, primarily because of a temporary 6.2 percentage point increase in the FMAP during the COVID-19 public health emergency. Expenditures increased 13 percent or $698 million. Hospital Care increased $340 million, Health Support increased $53 million, Physician Care increased $45 million, Nursing Home Care increased $48 million, and the Children's Health Insurance Plan (CHIP) increased $30 million. The net change in fund balance for Medicaid was a $30 million decrease, bringing the total fund balance $130 million. The increase in expenditures and decrease in fund balance is due to the shift of expenditures from the General Fund to the Medicaid Fund because of the increased FMAP.

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 26 percent. Federal revenues increased $27 million, or 3 percent. Expenditures decreased $207 million, or 13 percent, because of fewer State infrastructure improvements. Of the $439 million fund balance, $44 million is in inventory of materials on hand and $395 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 90 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 $835 million, or 37 percent, of which $951 million was related to the COVID-19 pandemic. The Food Assistance program accounts for 45 percent of total expenditures. The fund balance at year end is $115 million, a decrease of $5 million. The fund balance, while legally restricted to a variety of social service programs, is all available for those programs in the next fiscal year.

The ARPA Coronavirus State Fiscal Recovery Fund was established this year as a result of the American Rescue Plan Act of 2021 to provide COVID related relief and economic stimulus. The Fund received $1.06 billion from the the Federal Government and had no expenditures during fiscal year 2021. This amount received has been classified as unearned revenue.

Proprietary Funds

The State's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. During the fiscal year, total net position for all enterprise funds increased by $116 million.

The Unemployment Compensation Trust Fund has been significantly impacted by the year over year effects of Operating Grants and Contributions and expenditures related to Coronavirus Relief, which positively impacted its financial condition. The net position increased in 2021 by $83 million, whereas in 2020 net position decreased by $216 million. The minimum employer rate remained at 0.0065 and the maximum employer rate remained at 0.068 for the employer shared cost. Revenues decreased sharply in 2021 as compared to 2020 due to an decrease in Operating Grants and Contributions of $1.4 billion related to Coronavirus Relief. There was a 67 million increase in the amount of Federal Unemployment Compensation premiums received in 2021 compared to 2020 because of increased economic activity due to the waning pandemic. Federal Unemployment Compensation Drawdown programs were greatly decreased by $1.1 billion year over year. Benefits paid decreased $1.8 billion. The trust fund cash increased from $429 million to $597 million; net position now stands at $582 million; net position was $499 million in 2020.

The net position of the State Port Authority is $372 million, an increase of $37 million. Operating revenues were $152 million, an increase of $12 million, or 8 percent over the prior year, due to improved terms within coal handling agreements. Total tonnages of iron and steel products increased by 14 percent, while forest products increased 4 percent. Revenue at the Authority's McDuffie Coal Terminal increased by $2 million, or 4 percent; general cargo and intermodal services revenues increased $3 million, or 8 percent. Additionally, the allocation of energy port funds were $2.4 million compared to $1.4 million in 2020. The Terminal Railway revenues were up approximately 1 percent, a result of increases in general switching, storage, rail ferry usage, and hazardous material surcharges.

The net position of the Alcoholic Beverage Control Board increased by $13.7 million in fiscal year 2021. The deficit in net position decreased from $149 million to $135 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 $27 million, net pension liability of $70 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 2021, 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 $116 million during fiscal year 2021. Expenditures increased by $32 million and Transfers Out increased by $83 million. These budgetary changes are reflected in the final budget on the Budgetary Comparison Schedule. The General Fund was not prorated during fiscal year 2021. Budgeted revenues were increased by $104 million and actual tax revenues were $307 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 2021 were re-appropriated to fiscal year 2022; therefore, many agencies did not spend all of their appropriations during fiscal year 2021. The Medicaid Agency and Public Health have $216 million and $2 million, respectively to carryover to fiscal year 2022. The Department of Corrections and the Department of Economic and Community Affairs have carryovers of approximately $38 million and $17 million, respectively. These appropriations will be needed in the future primarily because expenditures are expected to increase.

Supplemental appropriations were $32 million. Supplemental appropriations of $9.2 million were distributed to the Department of Public Health for Coronavirus preparedness and response activities. $5 million was appropriated to the Office of Information Technology for cybersecurity. Conditional and other appropriations were approximately $95 million to various agencies. Conditional appropriations of $46 million were distributed to the Department of Mental Health for the expansion of Taylor Hardin secure mental facility. The Department of Finance received a conditional appropriation of $9 million for repairs, maintenance, security upgrades and infrastructure to the State Capitol. 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 $5 million are included in the original budget and are included in the budgeted amounts as Other on the Budgetary Comparison Schedule. Emergency appropriations cannot exceed two percent of the total amount appropriated. On a budgetary basis, General Fund revenues and other sources exceeded expenditures and other uses by $714 million. However, on a GAAP (Generally Accepted Accounting Principles) basis, General Fund revenues and other sources exceeded expenditures and other uses by $222 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 2021 the State invested $23.3 billion, net of accumulated depreciation, in a broad range of capital assets (see the table below). Depreciation charges for the fiscal year totaled $151.9 million.

Capital Assets as of September 30
(Amount in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Capital Assets Not Being Depreciated:						
Land	$ 454,354	$ 445,681	$ 77,054	$ 77,054	$ 531,408	$ 522,735
Historical Exhibits	4,127	4,127	2,350	2,350	6,477	6,477
Construction In Progress	35,036	81,303	24,378	35,485	59,414	116,788
Intangible Assets Under Development	—	—	—	4,322	—	4,322
Construction In Progress - Infrastructure	2,244,081	2,455,107	—	—	2,244,081	2,455,107
Infrastructure	18,321,598	17,902,707	—	—	18,321,598	17,902,707
In tangible Assets under Development	5,508	—	—	—	5,508	—
Inexhaustible Intangible Assets	—	—	10	10	10	10
Total Capital Assets Not Being Depreciated	**21,064,704**	**20,888,925**	**103,792**	**119,221**	**21,168,496**	**21,008,146**
Capital Assets Being Depreciated:						
Buildings	2,150,435	2,073,563	783,629	734,064	2,934,064	2,807,627
Equipment	805,720	806,513	417,467	407,177	1,223,187	1,213,690
Software and Other Intangible Assets	96,448	96,448	10,848	10,848	107,296	107,296
Total Capital Assets Being Depreciated	3,052,603	2,976,524	1,211,944	1,152,089	4,264,547	4,128,613
Less Accumulated Depreciation	1,471,022	1,420,703	666,249	635,175	2,137,271	2,055,878
Total Capital Assets Being Depreciated, Net	**1,581,581**	**1,555,821**	**545,695**	**516,914**	**2,127,276**	**2,072,735**
Capital Assets, Net	**$ 22,646,285**	**$ 22,444,746**	**$ 649,487**	**$ 636,135**	**$ 23,295,772**	**$ 23,080,881**

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 75.04, which exceeds the State's goal.

The State maintains 5,407 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 6.42, in the upper end of the satisfactory range.

For fiscal years 2021 and 2020, the State estimated it would need to spend $426 million and $414 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 2021, the State spent $451 million for roadway preservation and $194 million for bridge preservation. The State spent $448 million for roadway preservation and $295 million for bridge preservation in fiscal year 2020. In the next fiscal year, the Alabama Department of Transportation estimates that it will need to spend approximately $424 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	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	$ 566,183	$ 645,508	$ 0	$ 0	$ 566,183	$ 645,508
Revenue Bonds	5,177,939	3,958,647	323,786	337,677	5,501,725	4,296,324
Total	**$ 5,744,122**	**$ 4,604,155**	**$ 323,786**	**$ 337,677**	**$ 6,067,908**	**$ 4,941,832**

The State issued $1,821.1 million in Alabama Public College Authority bonds (including premiums) to refund bonds, fund education-related projects and to provide loans and grants to local schools for education-related capital projects.

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

Economic Factors and Next Year's Budgets and Rates

The General Fund budget would have decrease from fiscal year 2021 to 2022 if not for the Department of Corrections receiving a supplemental appropriation increase of $135 million for unanticipated construction and renovation of prison facilities. The Department of Mental Health decreased $35 million. The Department of Public Health received a decrease of $16 million and the Medicaid Agency received a decrease of $51 million.

The total ETF budget for fiscal year 2022 is $7.7 billion. The K-12 Local Boards of Education received an appropriation increase of $207 million for fiscal year 2022 over fiscal year 2021 from the Education Trust Fund. The four-year Universities received an increase of $87 million. The appropriations to the ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund decreased by $147 million and $307 million, respectively. .

Total tax collections are up approximately 17.9 percent for the first four months of fiscal year 2022 as compared to fiscal year 2021 . The State's seasonally adjusted unemployment rate, at 3.1 percent in December 2021, was unchanged from the November

2021 revised rate of 3.1 percent, and down from the December 2020 rate of 4.7 percent. The number of employed workers increased from December 2020 to December 2021 from 2,162,000 to 2,176,000.

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, 2021

(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
ASSETS				
Cash and Cash Equivalents	$ 7,660,484	$ 753,708	$ 8,414,192	$ 2,375,356
Investments	7,237,005	168,135	7,405,140	11,966,808
Internal Balances	40,287	(40,287)	—	—
Due From Primary Government	—	—	—	6,817
Due From Component Units	113,239	10	113,249	—
Investment Sales Receivable	18,680	—	18,680	
Accounts Receivable	143,228	35,453	178,681	1,270,316
Taxes Receivable	1,287,425	—	1,287,425	—
Due From Other Governments	1,227,196	6,394	1,233,590	810,336
Mortgages, Notes, and Loans Receivable	60	—	60	921,731
Securities Lending Collateral	130,713	—	130,713	13,811
Inventory	54,185	42,615	96,800	64,768
Restricted Assets	2,666	—	2,666	89,065
Other Assets	373	45,411	45,784	427,481
Capital Assets, Net of Accumulated Depreciation	1,581,581	545,695	2,127,276	9,171,304
Capital Assets Not Depreciated	21,064,704	103,792	21,168,496	1,190,201
TOTAL ASSETS	**40,561,826**	**1,660,926**	**42,222,752**	**28,307,994**
DEFERRED OUTFLOWS OF RESOURCES	**906,304**	**44,708**	**951,012**	**2,866,436**
LIABILITIES				
Warrants Payable	71,852	363	72,215	50
Investment Purchases Payable	36,285	—	36,285	—
Due To Primary Government	—	—	—	113,249
Due To Component Units	6,816	1	6,817	—
Accounts Payable	1,215,337	117,185	1,332,522	1,087,033
Due To Other Governments	453,700	5,868	459,568	264,062
Securities Lending Obligation	130,713	—	130,713	13,811
Unearned Revenue	1,064,446	395	1,064,841	1,141,496
Amounts Held in Custody for Others	176,292	85	176,377	737,736
Noncurrent Liabilities:				
Due Within One Year	365,121	68,406	433,527	476,479
Due In More Than One Year	10,831,936	462,762	11,294,698	12,422,420
TOTAL LIABILITIES	**14,352,498**	**655,065**	**15,007,563**	**16,256,336**
DEFERRED INFLOWS OF RESOURCES	**1,818,776**	**87,916**	**1,906,692**	**1,800,622**
NET POSITION				
Net Investment in Capital Assets	21,006,618	335,839	21,342,457	6,007,410
Restricted for:				
Permanent - Expendable	—	—	—	1,670,625
Permanent - Non-expendable	100,864	—	100,864	2,378,139
Unemployment Compensation	—	582,371	582,371	—
Alabama Trust Capital	3,876,656	—	3,876,656	—
Economic Development and Regulation	348,730	—	348,730	—
Education	4,827,823	2,891	4,830,714	—
Natural Resources and Recreation	222,909	—	222,909	—
Health	828,832	—	828,832	—
Social Services	471,069	—	471,069	—
Protection of Persons and Property	305,467	—	305,467	—
Transportation	687,144	—	687,144	—
General Government	994,769	—	994,769	—
Debt Service	287,687	31,198	318,885	1,525,905
Capital Projects	175,901	682	176,583	61,538
Other Purposes	—	—	—	315,681
Unrestricted	(8,837,613)	9,672	(8,827,941)	1,158,174
TOTAL NET POSITION	**$ 25,296,856**	**$ 962,653**	**$ 26,259,509**	**$ 13,117,472**

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2021

(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	$ 204,741	$ 121,319	$ 80,163	$ 457
Education and Cultural Resources	9,151,901	38,215	1,457,036	73,281
Natural Resources and Recreation	208,426	113,799	72,404	948
Health	8,809,281	568,824	6,921,415	624
Social Services	3,498,818	31,728	2,989,136	2,164
Protection of Persons and Property	2,543,302	481,212	308,262	73
Transportation	1,538,344	259,066	51,599	980,751
General Government	1,544,688	611,419	218,984	195
Debt Service - Interest and Other Charges	187,691	—	—	—
Total Governmental Activities	**27,687,192**	**2,225,582**	**12,098,999**	**1,058,493**
Business-type Activities:				
Unemployment Compensation	1,689,219	270,295	1,509,711	0
State Port Authority	154,052	152,573	—	5,521
Alcoholic Beverage Control Board	416,157	482,329	—	68
Nonmajor Proprietary Funds	128,581	119,575	2,096	—
Total Business-type Activities	**2,388,009**	**1,024,772**	**1,511,807**	**5,589**
Total Primary Government	**30,075,201**	**3,250,354**	**13,610,806**	**1,064,082**
Component Units:				
University of Alabama	5,962,061	4,575,781	1,159,831	30,541
Auburn University	1,380,507	821,424	361,779	42,173
University of South Alabama	1,076,693	850,015	58,737	5,555
Public Education Employees Health Insurance	1,139,398	1,084,562	627	—
Alabama Community College System	961,799	188,442	376,421	2,081
Nonmajor Component Units	1,788,883	988,926	771,606	8,066
Total Component Units	**12,309,341**	**8,509,150**	**2,729,001**	**88,416**

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, 2020, as Restated

Net Position, September 30, 2021

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
$ (2,802)	$ 0	$ (2,802)	$ 0
(7,583,369)	—	(7,583,369)	—
(21,275)	—	(21,275)	—
(1,318,418)	—	(1,318,418)	—
(475,790)	—	(475,790)	—
(1,753,755)	—	(1,753,755)	—
(246,928)	—	(246,928)	—
(714,090)	—	(714,090)	—
(187,691)	—	(187,691)	—
(12,304,118)	**0**	**(12,304,118)**	**0**
0	90,787	90,787	0
—	4,042	4,042	—
—	66,240	66,240	—
—	(6,910)	(6,910)	—
0	**154,159**	**154,159**	**0**
(12,304,118)	**154,159**	**(12,149,959)**	**0**
—	—	—	(195,908)
—	—	—	(155,131)
—	—	—	(162,386)
—	—	—	(54,209)
—	—	—	(394,855)
—	—	—	(20,285)
0	**0**	**0**	**(982,774)**
3,653,790	—	3,653,790	0
5,803,826	—	5,803,826	—
882,634	—	882,634	—
573,006	—	573,006	—
474,622	—	474,622	—
431,693	—	431,693	—
250,742	16,886	267,628	—
171,272	—	171,272	—
—	—	—	1,837,893
1,343,814	—	1,343,814	296
677,498	—	677,498	1,526,662
1,369,206	1,739	1,370,945	130,881
—	—	—	77,944
56,644	(56,644)	—	—
15,688,747	**(38,019)**	**15,650,728**	**3,573,676**
3,384,629	**116,140**	**3,500,769**	**2,590,902**
21,912,227	846,513	22,758,740	10,526,570
$ 25,296,856	**$ 962,653**	**$ 26,259,509**	**$ 13,117,472**

BALANCE SHEET
Governmental Funds
September 30, 2021

(Amounts in Thousands)

	General Fund	Education Trust Fund	Alabama Trust	Medicaid Fund	Public Road and Bridge Fund
ASSETS					
Cash and Cash Equivalents	$ 980,384	$ 1,445,267	$ 8,795	$ 245,388	$ 352,825
Investments	—	—	3,913,304	—	38,505
Due From Other Funds	32,062	1,144	—	23,796	592
Due From Component Units	—	—	—	—	—
Investment Sales Receivable	—	—	17,538	—	—
Accounts Receivable	2,924	95	18,863	—	7,933
Taxes Receivable	328,248	429,385	—	—	30,691
Due From Other Governments	1	356	—	390,648	139,655
Mortgages, Notes, and Loans Receivable	—	—	—	—	—
Securities Lending Collateral	—	—	119,158	—	—
Inventory	4,035	—	—	—	43,730
Restricted Assets	—	—	—	—	—
Other Assets	—	—	—	—	—
TOTAL ASSETS	**$ 1,347,654**	**$ 1,876,247**	**$ 4,077,658**	**$ 659,832**	**$ 613,931**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 891	$ 7,897	$ 0	$ 13,577	$ 3,230
Investment Purchases Payable	—	—	33,170	—	—
Due To Other Funds	18,688	5,138	111	94,528	3,341
Due To Component Units	48	11	—	1	—
Accounts Payable	61,839	38,179	255	421,730	157,881
Due To Other Governments	5,834	4,774	—	13	396
Securities Lending Obligation	—	—	119,158	—	—
Unearned Revenue	4	—	—	—	—
Amounts Held in Custody for Others	256	3	—	—	3,508
Compensated Absences	—	—	—	—	—
Total Liabilities	**87,560**	**56,002**	**152,694**	**529,849**	**168,356**
Deferred Inflows Of Resources	**141,677**	**0**	**2,534**	**0**	**6,656**
Fund Balances					
Nonspendable:					
Inventory	4,035	0	0	0	43,730
Permanent Fund Principal	—	—	—	—	—
Restricted for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	1,820,245	—	—	—
Natural Resources and Recreation	—	—	48,308	—	—
Health	—	—	—	129,983	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
Transportation	—	—	—	—	395,189
General Government	—	—	—	—	—
Capital Projects	—	—	—	—	—
Debt Service	—	—	—	—	—
Alabama Trust Capital	—	—	3,874,122	—	—
Assigned for:					
Economic Development and Regulation	170	—	—	—	—
Education and Cultural Resources	854	—	—	—	—
Natural Resources and Recreation	96	—	—	—	—
Health	129	—	—	—	—
Social Services	120	—	—	—	—
Protection of Persons and Property	3,374	—	—	—	—
Transportation	13	—	—	—	—
General Government	1,309	—	—	—	—
Unassigned	1,108,317	—	—	—	—
Total Fund Balances	**1,118,417**	**1,820,245**	**3,922,430**	**129,983**	**438,919**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 1,347,654**	**$ 1,876,247**	**$ 4,077,658**	**$ 659,832**	**$ 613,931**

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

Public Welfare Trust Fund	ARPA Coronavirus State Fiscal Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 207,750	$ 1,060,140	$ 3,261,995	$ 7,562,544
—	—	3,106,770	7,058,579
17,438	—	152,988	228,020
—	—	113,154	113,154
—	—	1,142	18,680
2	—	112,710	142,527
69,146	—	429,955	1,287,425
16,358	—	331,427	878,445
—	—	60	60
—	—	11,555	130,713
—	—	1,172	48,937
—	—	2,666	2,666
—	—	373	373
310,694	**1,060,140**	**7,525,967**	**17,472,123**
1,879	0	41,886	69,360
—	—	3,115	36,285
7,306	—	70,478	199,590
2	—	2,183	2,245
71,576	—	401,632	1,153,092
62,114	—	380,520	453,651
—	—	11,555	130,713
—	1,060,140	4,243	1,064,387
4,380	—	167,947	176,094
—	—	65	65
147,257	**1,060,140**	**1,083,624**	**3,285,482**
48,168	**0**	**375,749**	**574,784**
0	0	1,172	48,937
—	—	100,864	100,864
—	—	262,852	262,852
—	—	2,490,784	4,311,029
—	—	174,601	222,909
—	—	596,128	726,111
115,269	—	307,631	422,900
—	—	305,468	305,468
—	—	285,337	680,526
—	—	986,743	986,743
—	—	164,769	164,769
—	—	287,688	287,688
—	—	—	3,874,122
—	—	1,207	1,377
—	—	22,264	23,118
—	—	—	96
—	—	—	129
—	—	1,250	1,370
—	—	51,882	55,256
—	—	—	13
—	—	26,623	27,932
—	—	(669)	1,107,648
115,269	**0**	**6,066,594**	**13,611,857**
$ 310,694	**$ 1,060,140**	**$ 7,525,967**	**$ 17,472,123**

STATE OF ALABAMA

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

September 30, 2021

(Amounts in Thousands)

Total Fund Balances for Governmental Funds		**$13,611,857**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	453,809	
Historical Exhibits	4,127	
Construction in progress	28,080	
Construction in progress - Infrastructure	2,244,081	
Infrastructure	18,321,598	
Buildings	1,964,673	
Equipment	769,979	
Intangibles	96,449	
Accumulated Depreciation - Buildings	(838,672)	
Accumulated Depreciation - Equipment	(442,681)	
Amortization - Intangibles	(46,949)	
		22,554,494
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.		574,784
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.		139,118
Long-term loans reported in due from other governments are not collectible in the current period and, therefore, are not reported in the funds.		348,753
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	606,407	
Deferred Inflows - pension related	(18,860)	
Deferred Outflows - OPEB related	247,890	
Deferred Inflows - OPEB related	(1,766,285)	
Deferred Outflows - losses on refunding of debt	38,699	
Deferred Inflows - gains on refunding of debt	(4,864)	
		(897,013)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Direct Borrowings	(69,697)	
Capital Leases	(97,582)	
Compensated Absences	(318,414)	
Claims, Judgments, and Other	(9,941)	
Due to Component Units	(4,203)	
Net Pension Liability	(3,819,275)	
Net OPEB Liability	(929,469)	
		(5,248,581)
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	(521,235)	
Revenue Bonds Payable	(4,630,312)	
Unamortized Premiums	(586,819)	
Unamortized Discounts	1,837	
Accrued Interest Payable	(50,027)	
		(5,786,556)
Net Position of Governmental Activities		**$ 25,296,856**

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

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	General Fund	Education Trust Fund	Alabama Trust	Medicaid Fund	Public Road and Bridge Fund
REVENUES					
Taxes	$ 2,089,690	$ 8,677,051	$ 0	$ 0	$ 391,511
Licenses, Permits, and Fees	181,275	127	—	17	156,290
Fines, Forfeits, and Court Settlements	14,311	—	—	435	—
Investment Income	19,384	—	655,652	9	132
Federal Grants and Reimbursements	—	—	—	5,971,571	936,889
Other Revenues	39,789	542	38,300	515,149	35,610
Total Revenues	**2,344,449**	**8,677,720**	**693,952**	**6,487,181**	**1,520,432**
EXPENDITURES					
Current:					
Economic Development and Regulation	7,313	870	0	0	0
Education and Cultural Resources	5,082	6,793,126	—	—	—
Natural Resources and Recreation	6,376	3,192	1,389	—	—
Health	702,146	16,825	—	5,946,412	—
Social Services	13,167	31,646	—	—	—
Protection of Persons and Property	693,377	1,828	—	—	24,403
Transportation	—	—	—	—	1,345,374
General Government	308,729	35,963	14,273	—	—
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	287	—	—	—	1,493
Debt Service - Interest and Other Changes	247	82	—	—	10
Total Expenditures	**1,736,724**	**6,883,532**	**15,662**	**5,946,412**	**1,371,280**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**607,725**	**1,794,188**	**678,290**	**540,769**	**149,152**
OTHER FINANCING SOURCES (USES)					
Transfers In	273,227	0	1,100	245,288	75,400
Bonds Issued	—	—	—	—	—
Capital Leases and Direct Borrowings	—	—	—	—	—
Debt Issuance Premiums	—	—	—	—	—
Insurance Recovery Proceeds	4	—	—	—	2,900
Transfers Out	(659,178)	(790,860)	(195,645)	(816,133)	(160,070)
Payments to Refunded Bond Escrow Agent	—	—	—	—	—
Total Other Financing Sources (Uses)	**(385,947)**	**(790,860)**	**(194,545)**	**(570,845)**	**(81,770)**
Net Change in Fund Balances	**221,778**	**1,003,328**	**483,745**	**(30,076)**	**67,382**
Fund Balances, October 1, 2020, as Restated	897,710	816,917	3,438,685	160,059	371,537
Increase (Decrease) in Inventory	(1,071)	—	—	—	—
Fund Balances, September 30, 2021	**$ 1,118,417**	**$ 1,820,245**	**$ 3,922,430**	**$ 129,983**	**$ 438,919**

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

Public Welfare Trust Fund	ARPA Coronavirus State Fiscal Recovery	Nonmajor Governmental Funds	Total Governmental Funds
$ 265,961	$ 0	$ 2,037,591	$ 13,461,804
358	—	1,045,565	1,383,632
31	—	245,406	260,183
—	—	111,412	786,589
2,683,021	—	4,355,623	13,947,104
31,035	—	517,195	1,177,620
2,980,406	**0**	**8,312,792**	**31,016,932**
0	0	199,845	208,028
—	—	2,339,543	9,137,751
—	—	210,925	221,882
—	—	2,191,777	8,857,160
3,064,449	—	479,794	3,589,056
241	—	1,915,605	2,635,454
—	—	461,294	1,806,668
705	—	1,218,616	1,578,286
—	—	21,946	21,946
22,735	—	387,544	412,059
4,576	—	214,402	219,317
3,092,706	**0**	**9,641,291**	**28,687,607**
(112,300)	**0**	**(1,328,499)**	**2,329,325**
182,667	0	4,580,038	5,357,720
—	—	1,480,835	1,480,835
17,680	—	1,205	18,885
—	—	342,690	342,690
281	—	6,295	9,480
(93,257)	—	(2,630,782)	(5,345,925)
—	—	(247,697)	(247,697)
107,371	**0**	**3,532,584**	**1,615,988**
(4,929)	**0**	**2,204,085**	**3,945,313**
120,198	—	3,862,676	9,667,782
—	—	(167)	(1,238)
$ 115,269	**$ 0**	**$ 6,066,594**	**$ 13,611,857**

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, 2021

(Amounts in Thousands)

Net Change in Fund Balances for Governmental Funds		**$3,945,313**
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	342,812	
Depreciation Expense	(112,848)	
		229,964
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.		(31,018)
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.		(1,238)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		26,374
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	10,886	
Repayments of loans	(48,108)	
		(37,222)
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.		28,259
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	59	
Internal service fund capital assets reassigned from the general government	(5)	
		54
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	(8,450)	
Amortization of deferred gains	811	
		(7,639)
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	(1,480,835)	
Capital lease and direct borrowings proceeds	(17,680)	
Other debt proceeds	(1,039)	
Debt issuance premiums	(342,691)	
Payments to Refunded Bond Escrow Agent	247,696	
Repayment of bond principal	382,405	
Repayment of direct borrowings principal	6,359	
Repayment of capital lease principal	5,614	
Accrued interest and debt-related amortization	39,801	
		(1,160,370)
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	435,448	
Compensated absences	(6,754)	
Claims, judgments, and other	159	
Pension Expense	(36,701)	
		392,152
Change in Net Position of Governmental Activities		**$ 3,384,629**

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

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

STATE OF ALABAMA

STATEMENT OF NET POSITION

Proprietary Funds

September 30, 2021

(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	$ 596,582	$ 65,581	$ 75,493	$ 16,052	$ 753,708
Investments, Short-term	—	21,184	—	16,539	37,723
Due From Other Funds	523	3,157	66	1,433	5,179
Due From Component Units	—	—	—	10	10
Accounts Receivable	13,504	10,276	25	11,648	35,453
Due From Other Governments	267	6,127	—	—	6,394
Inventory	—	3,598	37,381	1,636	42,615
Other Current Assets	—	13,465	—	23,618	37,083
Total Current Assets	**610,876**	**123,388**	**112,965**	**70,936**	**918,165**
Noncurrent Assets					
Investments, Long-term	0	10,696	0	119,716	130,412
Due From Other Funds	—	—	—	4,083	4,083
Other Noncurrent Assets	—	8,289	—	39	8,328
Capital Assets, Net of Accumulated Depreciation	—	531,605	2,964	11,126	545,695
Capital Assets Not Depreciated	—	101,162	—	2,630	103,792
Total Noncurrent Assets	**0**	**651,752**	**2,964**	**137,594**	**792,310**
TOTAL ASSETS	**610,876**	**775,140**	**115,929**	**208,530**	**1,710,475**
DEFERRED OUTFLOWS OF RESOURCES	**0**	**24,812**	**17,550**	**2,346**	**44,708**
LIABILITIES					
Current Liabilities					
Warrants Payable	0	0	279	84	363
Due To Other Funds	65	—	48,178	1,306	49,549
Due To Component Units	—	—	1	—	1
Accounts Payable	28,138	23,010	59,994	6,043	117,185
Due To Other Governments	217	—	5,647	4	5,868
Claims Payable	—	183	—	49,550	49,733
Unearned Revenue	—	—	—	168	168
Funds Held in Escrow	85	—	—	—	85
Compensated Absences	—	2,786	518	12	3,316
Notes and Capital Leases Payable	—	—	—	—	—
Revenue Bonds Payable	—	14,937	—	—	14,937
Other Long-term Liabilities	0	420	0	0	420
Total Current Liabilities	**28,505**	**41,336**	**114,617**	**57,167**	**241,625**
Noncurrent Liabilities					
Claims Payable	0	1,603	0	151	1,754
Unearned Revenue, Noncurrent	—	227	—	—	227
Compensated Absences	—	1,858	5,573	383	7,814
Net OPEB Liability	—	13,623	26,848	2,145	42,616
Net Pension Liability	—	21,452	69,811	5,181	96,444
Notes and Capital Leases Payable	—	—	—	826	826
Revenue Bonds Payable	—	308,849	—	—	308,849
Other Long-term Liabilities	—	4,459	—	—	4,459
Total Noncurrent Liabilities	**0**	**352,071**	**102,232**	**8,686**	**462,989**
TOTAL LIABILITIES	**28,505**	**393,407**	**216,849**	**65,853**	**704,614**
DEFERRED INFLOWS OF RESOURCES	**0**	**34,380**	**51,561**	**1,975**	**87,916**
NET POSITION					
Net Investment in Capital Assets	0	319,945	2,964	12,930	335,839
Restricted for:					
Unemployment Compensation	582,371	—	—	—	582,371
Education	—	—	—	2,891	2,891
Transportation	—	—	—	—	—
Debt Service	—	31,198	—	—	31,198
Capital Projects	—	682	—	—	682
Unrestricted	—	20,340	(137,895)	127,227	9,672
TOTAL NET POSITION	**$ 582,371**	**$ 372,165**	**$ (134,931)**	**$ 143,048**	**$ 962,653**

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

Governmental Activities
Internal Service Funds
$ 97,940
16,286
13,340
85
701
—
5,248
—
133,600
162,140
—
—
84,292
7,501
253,933
387,533
13,309
2,492
1,495
368
12,208
49
3,441
59
198
438
4,379
2,280
0
27,407
119,999
—
4,702
14,969
60,566
—
5,314
—
205,550
232,957
28,767
80,080
—
—
—
—
—
59,038
$ 139,118

STATE OF ALABAMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Proprietary Funds

For the Fiscal Year Ended September 30, 2021

(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	$ 151,656	$ 482,255	$ 40,679	$ 674,590
Premiums and Contributions	249,846	—	—	64,415	314,261
Rents and Leases	—	—	—	1,284	1,284
Total Operating Revenues	**249,846**	**151,656**	**482,255**	**106,378**	**990,135**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	0	0	42,627	5,959	48,586
Utilities and Communications	—	—	2,878	174	3,052
Professional Services	—	—	11,838	5,411	17,249
Supplies, Materials, and Operating Expense	—	—	343,521	74,711	418,232
Interest	—	—	—	—	—
Depreciation	—	30,462	608	952	32,022
Claims and Benefits	1,666,513	—	—	40,652	1,707,165
Operations and Maintenance	—	76,214	—	—	76,214
General and Administrative	—	14,937	—	—	14,937
Other	—	—	14,685	21	14,706
Total Operating Expenses	**1,666,513**	**121,613**	**416,157**	**127,880**	**2,332,163**
Operating Income (Loss)	**(1,416,667)**	**30,043**	**66,098**	**(21,502)**	**(1,342,028)**
NONOPERATING REVENUES (EXPENSES)					
Investment Income	10,659	917	0	12,903	24,479
Taxes	—	—	16,886	—	16,886
Other Nonoperating Revenues	9,790	1,692	99	317	11,898
Grants	1,509,711	—	—	2,096	1,511,807
Interest Expense	—	(14,380)	—	(48)	(14,428)
Other Nonoperating Expenses	(22,706)	(18,059)	—	(653)	(41,418)
Total Nonoperating Revenues (Expenses)	**1,507,454**	**(29,830)**	**16,985**	**14,615**	**1,509,224**
Income (Loss) Before Contributions and Transfers	**90,787**	**213**	**83,083**	**(6,887)**	**167,196**
Capital Contributions	0	5,521	68	0	5,589
Transfers In	2,010	28,904	60	5,574	36,548
Transfers Out	(9,451)	(63)	(69,513)	(14,166)	(93,193)
Increase (Decrease) in Net Position	**83,346**	**34,575**	**13,698**	**(15,479)**	**116,140**
Total Net Position, October 1, 2020, as Restated	499,025	337,590	(148,629)	158,527	846,513
Total Net Position, September 30, 2021	**$ 582,371**	**$ 372,165**	**$ (134,931)**	**$ 143,048**	**$ 962,653**

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

Governmental Activities
Internal Service Funds
$ 114,404
24,710
18,155
157,269
36,640
18,320
32,650
27,403
238
7,041
22,130
—
—
8,993
153,415
3,854
10,848
—
2,410
—
(299)
(2,550)
10,409
14,263
59
21,122
(7,185)
28,259
110,859
$ 139,118

STATEMENT OF CASH FLOWS

Proprietary Funds

For the Fiscal Year Ended September 30, 2021

(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	$ 255,102	$ 153,593	$ 494,798	$ 109,667	$ 1,013,160
Receipts from Interfund Services	—	—	41	9,161	9,202
Receipts from Operating Grants	1,507,586	—	—	1,419	1,509,005
Receipts from Interfund Reimbursements	10,294	—	—	—	10,294
Receipts from Other Operating Activities	8,405	—	39,128	3,558	51,091
Payments for Goods Held for Resale	—	—	(323,406)	(19,478)	(342,884)
Payments for Other Goods & Services	—	(51,384)	(33,369)	(59,834)	(144,587)
Payments for Employees Services	—	(43,190)	(52,159)	(5,807)	(101,156)
Payments for Taxes, Fines, Penalties, & Similar Fees	—	—	(7)	—	(7)
Payments for Interfund Services	—	—	(2,890)	(30)	(2,920)
Payments for Other Operating Activities	—	—	(34,943)	(27)	(34,970)
Payments for Claims	(1,700,680)	—	—	(33,780)	(1,734,460)
Net Cash Provided by (Used In) Operating Activities	**80,707**	**59,019**	**87,193**	**4,849**	**231,768**
Cash Flows from Noncapital Financing Activities:					
Receipts from Noncapital Financing Grants & Donations	5,047	0	0	22	5,069
Transfers from Other Funds for Noncapital Financing	85,000	—	—	5,600	90,600
Payments for Noncapital Financing Grants & Donations	(3,661)	—	—	—	(3,661)
Transfers to Other Funds for Noncapital Financing	(9,102)	—	(57,982)	(16,697)	(83,781)
Net Cash Provided By (Used In) Noncapital Financing Activities	**77,284**	**0**	**(57,982)**	**(11,075)**	**8,227**
Cash Flows from Capital & Related Financing Activities:					
Receipts from Capital Grants & Contributions	0	2,649	0	0	2,649
Transfers from Other Funds for Capital Financing	—	18,240	—	—	18,240
Receipts from Sale of Capital Assets & Insurance Proceeds	—	1,635	61	—	1,696
Payments to Acquire, Construct, & Improve Capital Assets	—	(43,236)	(1,378)	(2,050)	(46,664)
Principal Paid on Revenue Bonds & Other Capital Debt	—	(13,060)	—	(114)	(13,174)
Interest Paid on Revenue Bonds & Other Capital Debt	—	(13,670)	—	(48)	(13,718)
Net Cash Provided by (Used in) Capital and Related Financing Activities	**0**	**(47,442)**	**(1,317)**	**(2,212)**	**(50,971)**
Cash Flows From Investing Activities					
Receipts from Sales & Maturities of Investments	0	0	0	24,282	24,282
Receipts from Interest & Dividends on Investments & Loans	9,389	54	—	1,093	10,536
Purchase of Investments	—	(3,834)	—	(9,500)	(13,334)
Net Cash Provided By (Used In) Investing Activities	**9,389**	**(3,780)**	**0**	**15,875**	**21,484**
Net Increase (Decrease) In Cash and Cash Equivalents	**167,380**	**7,797**	**27,894**	**7,437**	**210,508**
Cash Balance as Restated, October 1, 2020	429,202	57,784	47,320	8,530	542,836
Cash Balance, September 30, 2021	**596,582**	**65,581**	**75,214**	**15,967**	**753,344**
Add: Warrants Payable	—	—	279	84	363
Cash and Cash Equivalents, as Reported on Statement of Net Position	**$ 596,582**	**$ 65,581**	**$ 75,493**	**$ 16,051**	**$ 753,707**

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

Governmental Activities	
Internal Service Funds	
$	7,867
	146,726
	—
	—
	464
	(17,139)
	(63,737)
	(41,621)
	(5)
	(11,700)
	(616)
	(4,058)
	16,181
	0
	24,828
	—
	(7,180)
	17,648
	0
	3
	624
	(17,352)
	(6,457)
	(610)
	(23,792)
	12,904
	99
	(25,028)
	(12,025)
	(1,988)
	97,435
	95,447
	2,492
$	**97,939**

Continued on next page...

STATEMENT OF CASH FLOWS (Continued from Previous Page)

Proprietary Funds

For the Fiscal Year Ended September 30, 2021

(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)	**$ (1,416,667)**	**$ 30,043**	**$ 66,098**	**$ (21,502)**	**$ (1,342,028)**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Due from Other Funds	85,519	0	9	1,247	86,775
Due from Component Units	—	—	—	—	—
Accounts Receivable	(92,856)	2,083	(20)	(4,308)	(95,101)
Due From Other Governments	(112)	—	—	—	(112)
Inventory	—	180	5,128	219	5,527
Other Assets	—	(5,718)	—	(1,549)	(7,267)
Deferred Outflows of Resources	—	(813)	(4,115)	(1,043)	(5,971)
Due to Other Funds	(170)	—	(15,508)	3,955	(11,723)
Accounts Payable	11,271	5,176	22,152	4,512	43,111
Due to Other Governments	(7)	—	1,159	—	1,152
Claims Payable	—	(224)	—	20,501	20,277
Unearned Revenue	—	(366)	(100)	9	(457)
Compensated Absences	—	(812)	(162)	4	(970)
Net Pension Liability	—	789	7,908	862	9,559
Net OPEB Liability	—	(5,621)	(19,521)	570	(24,572)
Other Liabilities	—	(390)	—	—	(390)
Deferred Inflows of Resources	—	(1,926)	6,599	(353)	4,320
Operating Interest Expense	—	—	—	—	—
Depreciation	—	30,462	608	952	32,022
Amortization Expense	—	6,001	—	—	6,001
Nonoperating Revenues	1,515,991	—	16,958	2,424	1,535,373
Nonoperating Expenses	(22,263)	157	—	(1,650)	(23,756)
Total Adjustments	1,497,373	28,978	21,095	26,352	1,573,798
Net Cash Provided (Used) by Operating Activities	**$ 80,706**	**$ 59,021**	**$ 87,193**	**$ 4,850**	**$ 231,770**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Capital Assets Acquired by Capital Contribution	0	0	68	0	68
Disposals and Other Reductions to Capital Assets	—	(21,888)	(393)	(82)	(22,363)
Capital Assets Acquired on Account	—	3,342	139	1	3,482
Capital Asset Reassignments	—	—	—	—	—
Revenue Bond Amortizations and Other Debt Adjustments	—	1,661	—	—	1,661
Interest Accruals and Other Adjustments	1,270	—	—	2,196	3,466
Unrealized Gains (Losses) in Investment Fair Value	—	343	—	6,894	7,237
Transfers In (Out)	—	—	(11,531)	3,919	(7,612)
Capital Grants and Contributions Receivable	—	2,872	—	—	2,872

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

Governmental Activities
Internal Service Funds
$ 3,854
(2,813)
21
115
—
(763)
—
—
(3,510)
(371)
(3,678)
—
18,041
33
(148)
5,155
(10,599)
—
3,853
610
7,041
—
338
(999)
12,326
$ 16,180
59
(17,883)
1,475
(5)
73
2,965
7,797
3,726
—

STATE OF ALABAMA

STATEMENT OF FIDUCIARY NET POSITION

Fiduciary Funds

September 30, 2021

(Amounts in Thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and Cash Equivalents	$ 103,326	$ 10,967	$ 178,639
Investments			
Time Deposits	—	—	676
U.S. Treasury Securities	1,742,692	13,157	37,565
U.S. Agency Securities	279,555	2,013	—
State and Local Government Securities	48	—	6,315
Mortgage Backed Securities	1,396,706	3,442	3,030
Corporate Stocks	29,123,608	8,736	—
Corporate Bonds	3,900,330	2,056	4,033
Real Estate	4,173,548	883	—
Commercial Paper	1,973,683	230	—
International Stocks	7,313,203	—	—
International Bonds	—	—	15
Guaranteed Investment Contracts	206,414	—	—
Mutual and Money Market Funds	1,462,042	2,457,307	235
Other	—	—	83
Receivables			
Due From Other Funds	16	—	1
Employer Contributions Receivable	113,391	—	—
Member Contributions Receivable	63,597	—	—
Investment Sales Receivable	187,906	—	—
Accounts Receivable	131,134	5,030	—
Due From Other Governments	100	—	—
Mortgages, Notes, and Loans Receivable	7,750	—	—
Securities Lending Collateral	1,746,349	621	—
Other Assets	1,103	—	—
Capital Assets, Net of Accumulated Depreciation	131,827	—	—
Capital Assets Not Depreciated	7,620	—	—
TOTAL ASSETS	**54,065,948**	**2,504,442**	**230,592**
DEFERRED OUTFLOWS OF RESOURCES	**14,181**	**0**	**0**
LIABILITIES			
Warrants Payable	60	190	1,806
Investment Purchases Payable	116,078	—	—
Due To Other Funds	4	1	—
Accounts Payable	6,853	10,751	51,219
Due To Other Governments	52	—	7,307
Claims Payable	33,711	—	—
Securities Lending Obligation	1,746,349	620	—
Unearned Revenue	3,075	—	—
Amounts Held in Custody for Others	—	2,493	—
Compensated Absences	7,133	12	—
Net OPEB Liability	9,561	—	—
Net Pension Liability	47,351	—	—
Notes and Mortgages Payable	1,000	—	—
TOTAL LIABILITIES	**1,971,227**	**14,067**	**60,332**
DEFERRED INFLOWS OF RESOURCES	**18,535**	**0**	**0**
NET POSITION			
Restricted for:			
Individuals, Organizations, and Other Governments	0	2,490,375	170,260
Pensions	45,861,491	—	—
OPEB	2,127,829	—	—
Other Purposes	4,101,047	—	—
TOTAL NET POSITION	**$ 52,090,367**	**$ 2,490,375**	**$ 170,260**

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, 2021

(Amounts in Thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Plan members	$ 1,131,526	$ 233,997	$ 0
Employer	1,648,745	—	—
Other Contributions	4,777	—	—
Federal On-Behalf	439	—	—
Total Contributions	**2,785,487**	**233,997**	**0**
Investment Earnings			
Investment Interest and Dividends	1,002,933	47,480	574
Net Increase (Decrease) in Fair Value of Investments	8,417,352	311,945	(20)
Securities Lending Income	18,138	17	—
Total Investment Earnings	**9,438,423**	**359,442**	**554**
Less:			
Investment Expense	16,546	—	—
Securities Lending Interest and Fees	5,857	6	—
Net Investment Income	**9,416,020**	**359,436**	**554**
Other Additions			
Interest from Mortgages and Loans Receivable	438	—	—
Tax Collections for Other Governments	—	—	492,923
Miscellaneous	9,381	100	988,407
Transfers In	—	31,882	—
Total Other Additions	**9,819**	**31,982**	**1,481,330**
Total Additions	**12,211,326**	**625,415**	**1,481,884**
DEDUCTIONS			
Benefit Payments and Refunds	4,480,906	226,923	981,652
Tax Payments to Other Governments	—	—	492,906
Administrative Expense	50,409	10,081	120
Transfers Out	—	969	—
Total Deductions	**4,531,315**	**237,973**	**1,474,678**
Change in Net Position	**7,680,011**	**387,442**	**7,206**
Net Position, October 1, 2020, as Restated	44,410,356	2,102,933	163,054
Net Position, September 30, 2021	**$ 52,090,367**	**$ 2,490,375**	**$ 170,260**

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

STATE OF ALABAMA

STATEMENT OF NET POSITION

Component Units

September 30, 2021

(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	$ 780,970	$ 187,688	$ 213,643	$ 722	$ 534,807
Investments	6,362,414	2,534,083	845,472	271,758	215,821
Due From Primary Government	—	—	—	931	—
Accounts Receivable	809,661	68,499	88,193	10,415	114,602
Taxes Receivable	—	—	—	—	—
Due From Other Governments	—	—	—	3,982	—
Mortgages, Notes, and Loans Receivable	372,478	63,109	6,839	—	—
Inventory	46,543	6,314	—	—	2,777
Restricted Assets	—	2,519	82,261	—	—
Other Assets	225,080	53,201	24,370	1,855	7,376
Capital Assets, Net of Accumulated Depreciation	4,255,646	1,928,561	758,125	—	899,605
Capital Assets Not Depreciated	440,895	225,469	108,911	—	94,590
TOTAL ASSETS	**13,293,687**	**5,069,443**	**2,127,814**	**289,663**	**1,869,578**
DEFERRED OUTFLOWS OF RESOURCES	**1,392,027**	**518,903**	**279,461**	**1,543**	**240,260**
LIABILITIES					
Warrants Payable	0	0	0	0	0
Due To Primary Government	99,332	—	—	526	—
Accounts Payable	640,193	112,889	125,655	350	51,579
Due To Other Governments	14,991	—	—	392	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	492,281	276,166	92,916	—	70,913
Amounts Held in Custody for Others	17,919	23,968	—	—	9,763
Noncurrent Liabilities:					
Due Within One Year	218,982	101,709	32,419	54,095	19,977
Due In More Than One Year	5,910,547	2,376,869	1,146,672	83,544	1,134,502
TOTAL LIABILITIES	**7,394,245**	**2,891,601**	**1,397,662**	**138,907**	**1,286,734**
DEFERRED INFLOWS OF RESOURCES	**789,004**	**249,730**	**223,230**	**2,305**	**224,942**
NET POSITION					
Net Investment in Capital Assets	2,354,657	1,388,197	407,572	—	762,952
Restricted for:					
Permanent - Expendable	1,364,665	60,894	37,721	—	5,241
Permanent - Non-expendable	1,041,873	869,535	289,050	—	7,401
Debt Service	—	—	—	—	4,414
Capital Projects	—	26,394	—	—	5,953
Other Purposes	—	4,765	224,772	—	—
Unrestricted	1,741,270	97,230	(172,732)	149,994	(187,799)
TOTAL NET POSITION	**$ 6,502,465**	**$ 2,447,015**	**$ 786,383**	**$ 149,994**	**$ 598,162**

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

Nonmajor Component Units	Total Component Units
$ 657,526	$ 2,375,356
1,737,260	11,966,808
5,886	6,817
178,946	1,270,316
806,354	810,336
479,305	921,731
13,811	13,811
9,134	64,768
4,285	89,065
115,599	427,481
1,329,367	9,171,304
320,336	1,190,201
5,657,809	**28,307,994**
434,242	**2,866,436**
50	50
13,391	113,249
156,367	1,087,033
248,679	264,062
13,811	13,811
209,220	1,141,496
686,086	737,736
49,297	476,479
1,770,286	12,422,420
3,147,187	**16,256,336**
311,411	**1,800,622**
1,094,032	6,007,410
202,104	1,670,625
170,280	2,378,139
1,521,491	1,525,905
29,191	61,538
86,144	315,681
(469,789)	1,158,174
$ 2,633,453	**$ 13,117,472**

STATE OF ALABAMA

STATEMENT OF ACTIVITIES

Component Units

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	University of Alabama	Auburn University	University of South Alabama	Public Education Employees' Health Insurance	Alabama Community College System
Expenses	**$ 5,962,061**	**$ 1,380,507**	**$ 1,076,693**	**$ 1,139,398**	**$ 961,799**
Program Revenues					
Charges for Services	4,575,781	821,424	850,015	1,084,562	188,442
Operating Grants and Contributions	1,159,831	361,779	58,737	627	376,421
Capital Grants and Contributions	30,541	42,173	5,555	—	2,081
Total Program Revenues	**5,766,153**	**1,225,376**	**914,307**	**1,085,189**	**566,944**
Net (Expense) Revenue	**(195,908)**	**(155,131)**	**(162,386)**	**(54,209)**	**(394,855)**
General Revenues					
Payments from State of Alabama	554,071	298,378	112,333	15,386	459,054
Grants and Contributions Not Restricted to Specific Programs	270	—	—	—	—
Unrestricted Investment Earnings	1,047,080	248,142	121,568	333	2,990
Miscellaneous	9,336	—	101,799	—	14,944
Contributions to Permanent Funds and Endowments	69,096	246	8,406	—	—
Total General Revenues and Contributions	**1,679,853**	**546,766**	**344,106**	**15,719**	**476,988**
Change in Net Position	**1,483,945**	**391,635**	**181,720**	**(38,490)**	**82,133**
Net Position, October 1, 2020, as Restated	5,018,520	2,055,380	604,663	188,484	516,029
Net Position, September 30, 2021	**$ 6,502,465**	**$ 2,447,015**	**$ 786,383**	**$ 149,994**	**$ 598,162**

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

Nonmajor Component Units	Total Component Units
$ 1,788,883	**$ 12,309,341**
988,926	8,509,150
771,606	2,729,001
8,066	88,416
1,768,598	**11,326,567**
(20,285)	**(982,774)**
398,671	1,837,893
26	296
106,549	1,526,662
4,802	130,881
196	77,944
510,244	**3,573,676**
489,959	**2,590,902**
2,143,494	10,526,570
$ 2,633,453	**$ 13,117,472**

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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 iron works. Fourteen of the eighteen members of the commission are appointed by the Governor. Part of the Commission's budget is subject to State control.

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

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

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

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

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

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

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

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

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

4. Fiduciary Component Units

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

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

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

5. Excluded Organizations

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

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

6. Sources of Information

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

There are some organizations and funds which meet the criteria for inclusion as part of the reporting entity even though they have the authority to conduct their financial operations through bank accounts and accounting systems outside the State Treasury, independent of the direct daily control of the State Comptroller, State Treasurer, and State Auditor. These non-Treasury agencies are included in the financial statements based on information provided to the State Comptroller once a year by the agency or the agency's auditors. Whenever possible, the non-Treasury agencies are reported as they 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 Custodial Funds
- Corrections Canteen Funds
- Court System Local Accounts
- Dental Examiners Board

- Dental Scholarships Awards Board
- Department of Human Resources Local Funds
- Educational Television Foundation Authority
- Geological Survey Library Revolving Fund
- High School of Math and Science
- Insurance Department Statutory Deposits
- Insurance Department Receivership
- Medicaid Agency Lien Account
- Medical Scholarships Awards Account
- Medical Examiners and Licensure Commission
- Men’s Hall of Fame Outside Account
- Military Department Unit Funds
- Motor Sports Hall of Fame
- National Guard Canteen Funds
- Optometry Board
- Optometric Scholarships Awards Board
- Peace Officers' Annuity and Benefit Investment Account
- Pharmacy Board
- Pilotage Commission
- Podiatry Board
- Presiding Circuit 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. Revenues are recognized and recorded when earned and expenses are recorded when a liability is incurred for exchange and exchange-like transactions, regardless of the timing of cash flows. For nonexchange transactions, revenues and expenditures and related assets and liabilities are recognized as required by GASB Statement No. 33, as amended by GASB Statement No. 65. For derived nonexchange transactions, receivables and revenues are recognized when the underlying exchange has occurred. For imposed nonexchange transactions, receivables are recognized when an enforceable legal claim has arisen. Revenues are recognized when resources are required to be used or the first period that use is permitted.

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

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

b. Modified Accrual Basis

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

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

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

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

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

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

2. Financial Statement Presentation

a. Major Funds

The State reports 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 **ARPA Coronavirus State Fiscal Recovery Fund** was created in response to the American Rescue Plan Act (ARPA) to provide COVID related relief and economic stimulus.

The State reports 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 include Pensions, OPEB and other employee benefit plans held in trust that meet GASB criteria in Statement Nos. 67, 74 and 84. The defined benefit pension plans include plans for state employees, state police, some city and county employees, teachers, judges, peace officers, and State Port Authority employees.

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

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

D. Fiscal Year

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

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

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

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

The largest taxes receivable are for income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, gasoline taxes, motor fuels taxes, oil and gas production privilege tax, and property taxes as required by GASB Statement 33.
The property tax calendar for the State is simple. The levy date, the assessment date, and the lien date are all the same date - October 1. On October 1, the assessed value of all property is multiplied by the applicable rates to levy the property tax. On that

date, the State has a lien (a legal claim) against the property. The property tax is not due until October 1 the following year. The property tax is paid in arrears between October 1 and December 31. After December 31, it is delinquent.

Approximately 28 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 assets that applies to a future period and so will not be recognized as an outflow of resources in the current period. Deferred inflow of resources represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources until then.

11. Net Position and Fund Balances

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

Fund balances reported in the governmental fund financial statements are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either 1) not in spendable form, such as inventory and long term receivables; or 2) legally and contractually required to be maintained intact, such as the principal of a permanent fund. Restricted fund balances have constraints placed on the use of the resources that are either 1) externally imposed by creditors, grantors, contributors, or laws of other governments or 2) imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts constrained by formal action of the State's highest decision-making authority. The authorization should have the consent of both the legislative and executive

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

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

F. New Accounting Pronouncements

During the current fiscal year, the State implemented the following new accounting pronouncements:

- GASB Statement No. 84: Fiduciary Activities
- GASB Statement No. 90: Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)
- GASB Statement No. 93: Replacement of Interbank Offered Rates (except for paragraphs 11b, 13 and 14)
- GASB Statement No. 98: The Annual Comprehensive Financial Report

NOTE 2 - TAX ABATEMENTS

As of September 30, 2021, 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 2021 is $11.8 million as a result of the Jobs Credit.

The Investment Credit is intended to promote capital investment in the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-376, the investment credit is equal to 1.5 percent of the capital investment up to 10 years or up to 15 years for targeted counties. Taxpayers receiving the tax incentive must agree to a jobs commitment and minimum wage commitment in a project agreement with the State. Income taxes, financial institution excise taxes, insurance premium taxes, or utility taxes can be abated. Depending on the project agreement, the investment credit may be claimed as a credit against taxes actually paid and carried forward up to 5 years. Also, credits may be transferred, or sold, at 85 percent or more of face value for the first 3 years if approved by the Governor. The amount of abated taxes for fiscal year 2021 is $8 million as a result of the Investment Credit.

The Apprenticeship Alabama program is intended to ensure the advancement and expansion of registered apprenticeships in the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-422, the apprenticeship tax credit is equal to one thousand dollars for each apprentice up to a maximum of five. The employer must have a United States Department of Labor Registered Apprenticeship program in one of five industry sectors (advanced manufacturing, construction, healthcare, information

technology, and transportation and logistics.) There are no penalties or claw back provisions. Income taxes or financial institution excise taxes can be abated. The amount of abated taxes for fiscal year 2021 is $111 thousand as a result of the Apprenticeship Alabama program.

The Film Incentive is intended to attract investment for qualified productions and qualified production companies, and increase employment opportunities. Pursuant to the *Code of Alabama 1975*, Section 41-7A-3, a rebate of 25 percent of all state certified expenditures and 35 percent of all payroll can be claimed, and exemptions from sales, use and lodgings taxes. Income taxes can be abated for qualified production companies. The total amount of abated taxes for fiscal year 2021 is $12.8 million as a result of the Film Incentive.

The Growing Alabama Credit is intended to promote growth of business, industry and economic development in the State. Pursuant to the *Code of Alabama 1975*, Section 40-18-403, a credit equal to contributions to a local economic development organization can be claimed. Income taxes can be abated. The amount of abated taxes for fiscal year 2021 is $6.4 million as a result of the Growing Alabama Credit.

The Historic Rehabilitation Tax Credit Program is intended to promote the rehabilitation, preservation, and development of historic structures in the State. Pursuant to the *Code of Alabama 1975*, Section 40-9F, a 25 percent credit of qualified rehabilitation expenditures can be claimed. Income taxes or financial institution excise taxes can be abated. The amount of abated taxes for fiscal year 2021 is $7.2 million 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 2021 is $3.7 million 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 2021 is $573 thousand as a result of the Port Credit.

Other tax abatement programs include the Reinvestment and Abatement Act (code section 40-9G), the Tax Incentive Reform Act of 1992 (code section 40-9B), the Brownfield Development Tax Abatement (code section 40-9C), and the Economic Incentive Enhancement Act of 2007 (code section 40-9D). Property taxes, gross utility taxes, and sales and use taxes can be abated. The Reinvestment and Abatement Act is intended to promote capital reinvestment in the State and a tax incentive is based on the taxpayer's eligible capital reinvestment. The Brownfield Development Tax Abatement is intended to promote the redevelopment of former industrial or commercial sites that are probably contaminated. The Tax Incentive Reform Act of 1992 is intended to promote industrial development. The Economic Incentive Enhancement Act of 2007 is intended to attract very large projects which create a substantial number of jobs and economic growth in the State. The amount of abated taxes for fiscal year 2021 is $76.6 million as a result of these programs.

NOTE 3 - FUND BALANCES/NET POSITION

A. Restricted Net Position

The Government-wide Statement of Net Position reports $13.7 billion of restricted net position for the primary government, of which $3,227,722,000 is restricted by enabling legislation.

B. Restatements

Fund Balances and Net Position as of October 1, 2020 have been restated for prior period adjustments necessary to conform to GAAP. Included in those restatements are differences resulting from the implementation of *Governmental Accounting Standards Boards Statement 84 (GASB 84)*. GASB 84 is intended to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of GASB 84 resulted in the reclassification of several funds formerly referred to as Agency funds. The GASB 84 restatements are shown in the table below.

(Amounts in Thousands)

	09/30/20 Net Position as Reported	GASB 84 Implementation	Adjustments	09/30/20 Net Position as Restated
Government-wide statements:				
Primary government				
Governmental activities	$ 21,911,043	$ 1,184	$ 0	$ 21,912,227
Business-type activities	846,513	—	—	846,513
Total primary government	**$ 22,757,556**	**$ 1,184**	**$ 0**	**$ 22,758,740**
Governmental funds statements				
Nonmajor special revenue funds				
Rehabilitation services	$ 21,245	$ 1,166	$ 0	$ 22,411
Miscellaneous special revenue funds	561,283	18	150,039	711,340
Total governmental funds	**$ 582,528**	**$ 1,184**	**$ 150,039**	**$ 733,751**
Fiduciary fund statement				
Custodial funds				
Other custodial	$ 0	$ 163,054	$ 0	$ 163,054
Total custodial funds	**$ 0**	**$ 163,054**	**$ 0**	**$ 163,054**

Miscellaneous Special Revenue Funds has been restated by $150,057,000. The difference consists of the implementation GASB 84 and the reclassification of a Capital Projects Fund to a Miscellaneous Special Revenue Fund in the amounts of $18,000 and $150,039,000 as shown in the table above.

The Government-wide financial statements, beginning net position for governmental activities was restated from $22,757,556,000 to $22,758,740,000, an increase of $1,184,000. The difference consists is due to the implementation of GASB 84, as shown above.

The beginning net position for component units was restated from $10,519,120,000 to $10,526,570,000, an increase of $7,450,000. The beginning net position for the Alabama Community College System was restated from $508,579,000 to $516,029,000, an increase of $7,450,000. The difference is due to 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 $669,000 because of accounts payable.

The Alcoholic Beverage Control Board, a major proprietary fund, had a deficit in unrestricted net position of $137,895,000 with a total net position deficit of $134,931,000. 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 $11,094,000 and a negative total net position of $6,019,000. The Service Division had a deficit in unrestricted net position of $1,086,000 and a negative total net position of $420,000. The State Motor Pool had a deficit in unrestricted net position of $1,595,000 as well as a negative total net position of $1,221,000. Other Internal Service Funds had a deficit in unrestricted net position of $792,000 as well as a negative total net position of $7,149,000.

2. Component Units

The University of South Alabama, a major component unit, had a deficit in unrestricted net position of $172,732,000 due to accruals of net pension liability, net OPEB liability and deferred inflows; however, it had a positive balance in total net position of $786,383,000. Alabama Community College System, a major component unit, had a deficit in unrestricted net position of $187,799,000 due to accruals of net pension liability, net OPEB liability and deferred inflows; however, it had a positive balance in total net position of $598,162,000.

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 $31,885,000, $59,650,000, $6,600,000, $143,887,000, $69,382,000, $51,440,000, and $36,234,000, respectively. All of these institutions had a positive total net position with the exception of the University of West Alabama $(15,630,000).

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 $938,000, $56,717,000, $12,158,000, $8,806,000, $3,904,000, $882,000, $1,056,000, and $2,041,000, respectively. All of these other nonmajor component units had positive total net positions except for Alabama Institute for the Deaf and Blind $(21,827,000) and Crime Victims Compensation Commission $(34,000) .

D. Governmental Fund Restricted Fund Balances

(Amounts in Thousands)

Economic Development and Regulation	
Economic Development Incentives	$ 38,360
Economic Regulation Programs	224,492
Total Economic Development and Regulation	262,852
Education and Cultural Resources	
Alabama Public School and College Authority	1,415,048
Local Schools	99,374
Industrial Training	94,410
Education Budget Stabilization	448,417
Education Trust Fund	1,820,245
Education Advancement and Technology Fund	282,315
Other	151,220
Total Education and Cultural Resources	4,311,029
Natural Resources and Recreation	
Department of Conservation	130,542
Forever Wild Land Trust	27,265
Forever Wild Stewardship	48,308
Other	16,794
Total Natural Resources and Recreation	222,909
Health	
Health Department	185,758
Medicaid	169,263
Mental Health	176,253
Environmental Management	54,519
Other	140,318
Total Health	726,111
Social Services	
Department of Human Resources	115,269
Rehabilitation Services	23,147
Veterans	208,432
Employment Security	22,964
Other	53,088
Total Social Services	422,900
Protection of Persons and Property	
Professional and Occupational Licensing	76,053
Law Enforcement and Investigations	43,585
Department of Corrections	20,082
Agricultural Products Oversight	46,915
Mine Reclamation	8,073
Youth Services	6,146
911 Service	38,814
Other	65,800
Protection of Persons and Property	305,468
Transportation	
State Roads and Bridges	395,189
Transportation Projects	137,523
Port Authority	127,105
Local Government Transportation Programs	12,482
Airfields	8,227
Total Transportation	680,526

General Government	
County and Municipal Capital Improvements	594,475
Judicial System	97,837
Economic and Community Affairs	77,039
Financial Administration	76,341
General Fund Budget Reserve Fund	27,297
Other	113,754
Total General Government	$ 986,743

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 $448 million at the end of fiscal year 2021.

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 $27 million at the end of fiscal year 2021.

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, 2021, 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	$ 38,734	$ 20,742	$ 0	$ 0
U S Government Guaranteed Securities	1,161,156	8,169	1,808,260	657,513
U S Agency Securities	311,456	11,384	285,846	1,338,623
State and Local Government Securities	6,092	1,065	6,315	1,011
Mortgage Backed Securities	265,304	852	1,405,585	407,580
Commercial Paper	9,396	—	1,973,913	140,475
Corporate Bonds	487,370	40,616	3,084,685	456,030
Private Placements	176,522	—	724,913	—
Repurchase Agreements	55,152	—	—	—
International Bonds	31,260	—	15	97,902
Bond Mutual Funds	34,323	—	2,104,829	1,337,343
Domestic Equities	1,730,717	24,920	29,123,295	745,873
International Equities	756,438	—	7,322,418	168,633
Other Mutual Funds	530,177	18,570	1,842,236	1,001,825
Real Estate	297,609	4,310	4,173,568	170,185
Commingled Funds	98,610	—	—	3,949,712
Derivative Instruments	1,976	—	—	—
Guaranteed Investment Contracts	—	—	204,024	—
	$ 5,992,293	**$ 130,628**	**$ 54,059,902**	**$ 10,472,705**

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

Investments Per Investment Note	$ 5,992,293	$ 130,628	$ 54,059,902	$ 10,472,705
Certificates of Deposit †	1,922	5,889	676	41,888
Money Market Accounts - Savings †	2,104,602	42,964	69,256	196,209
Other Cash Equivalents †	(840,427)	(11,346)	(18,328)	236,816
Investments Classified as Restricted Assets †	(1,380)	—	—	29,170
Repurchase Agreements ††	(20,005)	—	—	—
Foundations and pooled investments §	—	—	—	990,020
Investments per Statements	**$ 7,237,005**	**$ 168,135**	**$ 54,111,506**	**$ 11,966,808**

† 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, 2021 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		$ 596,892	$ 13,860	$ 233,800	$ 117,764	$ 808,539
	AAA	25,117	1,171	—	219,871	198,921
Aa1		7,844	707	27,881	14,795	266
	AA+	1,774	310	—	—	—
Aa2		8,827	2,958	9,507	6,414	165
	AA	25,827	—	—	395,160	51,179
Aa3		13,273	2,318	—	845	33
	AA-	6,326	—	—	25	—
Aa		746	—	—	1,813	1,287,516
A1		34,029	7,826	147,789	52,555	2,024
	A+	5,692	250	—	1,000	—
A2		40,775	10,688	208,223	46,923	1,480
	A	38,654	—	—	196	147,572
A3		33,356	5,080	324,056	121,799	3,138
	A-	18,781	157	—	600	—
A		—	—	—	4,420	—
MIG 1		200	—	—	—	—
P1		938	—	57,999	—	—
P2		11,017	—	1,662,090	53,824	140,375
Baa1		37,734	1,387	489,318	167,951	8,463
	BBB+	30,595	163	—	—	—
Baa2		55,851	4,037	761,953	230,938	21,150
	BBB	33,042	577	—	91,632	148,294
Baa3		75,050	2,265	63,422	44,728	9,700
	BBB-	46,240	63	—	—	1,231
Baa		—	—	—	—	8,987
Ba1		15,116	—	36,927	18,669	2,179
	BB+	16,791	—	—	—	—
Ba2		16,795	—	91,872	16,574	3,894
	BB	14,760	—	—	97	13,501
Ba3		9,664	—	4,062	2,247	2,965
	BB-	21,384	—	—	—	—
B1		6,083	—	3,306	1,667	40
	B+	50,918	—	—	—	—
B2		9,503	—	30,352	7,090	1,094
	B	2,239	—	—	94	12,817
B3		9,420	—	—	—	—
	B-	2,640	—	—	—	—
Caa1		1,424	—	—	—	—
	CCC+	838	—	—	—	—
Caa2		644	—	—	—	—
	CCC	255	—	—	—	—
Caa3		454	—	—	—	—
Ca		109	—	—	—	—
	C	—	—	—	3	5,633
C		1,182	—	—	—	—
U S Govt Guaranteed Securities §		1,154,463	28,914	2,271,983	916,301	639,443
Not Rated †		138,938	97	1,728,172	909,677	1,016,713
Totals		**$ 2,622,200**	**$ 82,828**	**$ 8,152,712**	**$ 3,445,672**	**$ 4,537,312**

§ 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. There are no stated limitations on the credit quality of the fixed income portfolio; however, ratings are assessed on a regular basis. The Systems may hedge against the possible adverse effects of currency fluctuations on each System's portfolio of international fixed income obligations when it is considered appropriate. Short-term investments may consist of commercial paper rated at least 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, 2021, 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	$ 7,060	$ 30,087	$ 1,587	$ 0	$ 38,734
U S Government Guaranteed Securities	142,091	754,398	163,505	101,162	1,161,156
U S Agency Securities	36,444	250,574	2,552	21,886	311,456
State and Local Government Securities	1,689	1,541	2,862	—	6,092
Mortgage Backed Securities	3,288	23,679	48,699	189,638	265,304
Commercial Paper	9,396	—	—	—	9,396
Corporate Bonds	72,337	135,305	164,164	115,564	487,370
Derivative Instruments	(969)	(173)	356	2,762	1,976
International Bonds	5,693	6,960	6,976	11,631	31,260
Private Placements	2,225	28,165	51,689	94,443	176,522
Bond Mutual Funds	29,967	2,075	1,333	948	34,323
Commingled Funds	—	14,601	42,906	41,104	98,611
Total	**$ 309,221**	**$ 1,247,212**	**$ 486,629**	**$ 579,138**	**$ 2,622,200**

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	$ 4,027	$ 16,715	$ 0	$ 0	$ 20,742
U S Government Guaranteed Securities	1,283	6,886	—	—	8,169
U S Agency Securities	2,174	3,251	2,194	3,765	11,384
State and Local Government Securities	310	755	—	—	1,065
Mortgage Backed Securities	29	222	304	297	852
Commercial Paper	—	—	—	—	—
Corporate Bonds	8,627	30,659	1,330	—	40,616
Total	**$ 16,450**	**$ 58,488**	**$ 3,828**	**$ 4,062**	**$ 82,828**

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	$ 165,218	$ 533,223	$ 228,307	$ 327,926	$ 1,254,674
U S Agency Securities	20,622	98,727	78,933	10,195	208,477
Mortgage Backed Securities	—	4,655	38,312	974,342	1,017,309
Commercial Paper	1,920,088	—	—	—	1,920,088
Corporate Bonds	248,565	748,923	529,106	734,576	2,261,170
Private Placements	120,500	218,003	206,497	175,085	720,085
Bond Mutual Funds	770,909	—	—	—	770,909
Total	**$ 3,245,902**	**$ 1,603,531**	**$ 1,081,155**	**$ 2,222,124**	**$ 8,152,712**

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	$ 76,299	$ 265,164	$ 91,467	$ 120,656	$ 553,586
U S Agency Securities	10,825	43,352	21,215	1,976	77,368
State and Local Government Securities	600	3,675	1,475	565	6,315
Mortgage Backed Securities	333	3,780	22,904	361,258	388,275
Commercial Paper	53,824	—	—	—	53,824
Corporate Bonds	153,213	267,393	147,542	255,368	823,516
International Bonds	1	6	5	3	15
Private Placements	—	—	4,828	—	4,828
Bond Mutual Funds	565,190	441,043	327,677	10	1,333,920
Guaranteed Investment Contracts	204,024	—	—	—	204,024
Total	**$ 1,064,309**	**$ 1,024,413**	**$ 617,113**	**$ 739,836**	**$ 3,445,671**

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	$ 31,371	$ 234,528	$ 116,165	$ 11,396	$ 393,460
U S Agency Securities	38,814	1,005,690	285,543	8,576	1,338,623
State and Local Government Securities	—	1,011	—	—	1,011
Mortgage Backed Securities	21	2,753	26,210	103,674	132,658
Commercial Paper	140,375	—	—	—	140,375
Corporate Bonds	20,971	21,719	11,616	15,173	69,479
Bond Mutual Funds	675,560	11,038	5,278	398	692,274
Commingled Funds	33,425	31,701	3,660	21,269	90,055
Total	**$ 940,537**	**$ 1,308,440**	**$ 448,472**	**$ 160,486**	**$ 2,857,935**

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	$ 13,246	9.8
Corporate Bonds	33,019	6.1
Non-U S Bonds	6,035	6.1
Mortgage Backed Securities	14,282	3.6
Liquidity and Capital Reserve Fund:		
U S Government Guaranteed Securities	250,565	3.2
Corporate Bonds	204,635	2.5
Non-U S Bonds	91,867	2.5
Mortgage Backed Securities	239,317	2.6
Other Fixed Income	10,781	1.9
Collateralized Mortgage Obligations	21,324	6.6
Commingled Bond Funds	495,085	2.5
Total	**$ 1,380,156**	

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, 2021 was as follows:

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

	Government-Type Activities		RSA (Fiduciary Component Units)	Other Fiduciary Funds
	International Equities	International Bond	International Equities	International Equities
Argentine Peso	$ 0	$ 0	$ 0	$ 107
Australian Dollar	14,628	—	318,623	11,789
Brazilian Real	6,758	2,572	—	533
British Pound Sterling	87,493	—	767,717	25,752
Canadian Dollar	33,871	—	—	1,137
Chinese Yuan	—	1,595	—	939
Danish Krone	18,035	—	142,713	4,726
Euro	226,080	5,185	1,625,960	60,320
Hong Kong Dollar	29,934	—	145,160	6,730
Israeli New Shekel	1,718	—	22,307	658
Japanese Yen	113,252	—	1,272,056	48,287
Mexican Peso	3,496	8,398	—	2
Malaysian Ringgit	138	—	—	—
New Zealand Dollar	—	—	3,699	109
Norwegian Krone	5,594	—	30,893	914
Other	—	—	—	41,625
Russian Rouble	—	7,017	—	—
Singapore Dollar	6,496	—	51,015	1,479
South Korean Won	11,780	—	—	110
Swedish Krona	35,198	—	175,021	6,564
Swiss Franc	49,240	—	523,875	19,711
Taiwan New Dollar	—	—	—	470
Totals §	**$ 643,711**	**$ 24,767**	**$ 5,079,039**	**$ 231,962**

§ 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	Fiduciary Funds Other Than RSA
U S Government Guaranteed Securities	$ 45,011	$ 31,919
U S Agency Securities	12,082	—
State and Local Government Securities	—	6,315
Mortgage Backed Securities	2,398	3,030
Corporate Bonds	2,450	3,585
Repurchase Agreements	35,147	—
Other Investments	—	776
Total	**$ 97,088**	**$ 45,625**

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, 2021, there were no investments that exceeded the 5 percent of the total fixed income portfolio limit in any one corporation.

The investment policies of the Retirement Systems of Alabama target the aggregate amount that can be invested in each class of investments. Domestic equity, international equity, fixed income, alternative investments, real estate, and short-term investments are limited to 45 percent, 15 percent, 15 percent, 10 percent, 10 percent, and 5 percent respectively, of the fair value of TRS and ERS aggregate portfolios. The JRF portfolio limits are 55 percent, 15 percent, 22 percent, 1 percent, 2 percent, and 5 percent. As of September 30, 2021, the TRS, ERS, and JRF owned debt and equity securities of The Goldman Sachs Group, Inc. with approximated values of 7 percent, 6 percent, and 5 percent of the investments of the TRS, ERS, and JRF, respectively.

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, 2021, the State had the following fair value hierarchies:

Governmental Activities
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	Total
U S Treasury Strips	$ 38,734	$ 0	$ 0	$ 38,734
U S Government Guaranteed Securities	1,134,871	26,285	—	1,161,156
U S Agency Securities	288,529	22,927	—	311,456
State and Local Government Securities	2,969	544	2,579	6,092
Mortgage Backed Securities	5,951	259,353	—	265,304
Commercial Paper	—	9,396	—	9,396
Corporate Bonds	60,785	372,829	53,756	487,370
Derivative Instruments	(1,075)	3,051	—	1,976
Private Placements	—	176,522	—	176,522
Repurchase Agreements	55,152	—	—	55,152
International Bonds	—	31,260	—	31,260
Bond Mutual Funds	26,503	7,820	—	34,323
Domestic Equities	1,389,619	743	340,356	1,730,718
International Equities	756,438	—	—	756,438
Other Mutual Funds	68,441	—	461,736	530,177
Real Estate	—	—	297,609	297,609
Commingled Funds	—	—	98,610	98,610
Total	**$ 3,826,917**	**$ 910,730**	**$ 1,254,646**	**$ 5,992,293**

Business-Type Activities
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	Total
U S Treasury Strips	$ 20,742	$ 0	$ 0	$ 20,742
U S Government Guaranteed Securities	8,169	—	—	8,169
U S Agency Securities	11,384	—	—	11,384
State and Local Government Securities	1,065	—	—	1,065
Mortgage Backed Securities	2	849	—	851
Corporate Bonds	40,616	—	—	40,616
Domestic Equities	24,920	—	—	24,920
Other Mutual Funds	18,570	—	—	18,570
Real Estate	—	—	4,311	4,311
Total	**$ 125,468**	**$ 849**	**$ 4,311**	**$ 130,628**

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

Investment Types	Level 1	Level 2	Level 3	Total
U S Government Guaranteed Securities	$ 0	$ 1,254,674	$ 0	$ 1,254,674
U S Agency Securities	—	208,476	—	208,476
Mortgage Backed Securities	—	1,017,309	—	1,017,309
Commercial Paper	—	1,720,089	200,000	1,920,089
Corporate Bonds	—	2,256,169	5,000	2,261,169
Private Placements	—	—	720,086	720,086
Bond Mutual Funds	—	770,909	—	770,909
Domestic Equities	22,015,637	2,327,576	2,269,858	26,613,071
International Equities	6,327,297	621,306	—	6,948,603
Real Estate	612,919	—	3,560,629	4,173,548
Total	**$ 28,955,853**	**$ 10,176,508**	**$ 6,755,573**	**$ 45,887,934**

Other Fiduciary Funds
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Government Guaranteed Securities	$ 57,957	$ 495,630	$ 0	$ 0	$ 553,587
U S Agency Securities	4,735	72,633	—	—	77,368
State and Local Government Securities	6,315	—	—	—	6,315
Mortgage Backed Securities	3,030	385,246	—	—	388,276
Commercial Paper	—	53,824	—	—	53,824
Corporate Bonds	74,711	748,804	—	—	823,515
Private Placements	—	—	4,828	—	4,828
International Bonds	15	—	—	—	15
Bond Mutual Funds	1,053,107	280,814	—	—	1,333,921
Domestic Equities	2,471,149	39,075	—	—	2,510,224
International Equities	264,967	108,848	—	—	373,815
Other Mutual Funds	1,680,611	161,320	305	—	1,842,236
Real Estate	—	—	—	20	20
Guaranteed Investment Contracts	204,024	—	—	—	204,024
Total	**$ 5,820,621**	**$ 2,346,194**	**$ 5,133**	**$ 20**	**$ 8,171,968**

Discretely Presented Component Units
(Amounts in Thousands)

Investment Types	Level 1	Level 2	Level 3	NAV	Total
U S Government Guaranteed Securities	$ 18,628	$ 1,133,970	$ 0	$ 0	$ 1,152,598
U S Agency Securities	2,463	1,336,160	—	—	1,338,623
State and Local Government Securities	—	1,011	—	—	1,011
Mortgage Backed Securities	84,340	323,240	—	—	407,580
Commercial Paper	100	140,375	—	—	140,475
Corporate Bonds	12,466	443,563	—	—	456,029
International Bonds	—	97,902	—	—	97,902
Bond Mutual Funds	690,401	151,847	—	—	842,248
Domestic Equities	724,359	112	19,510	2,004	745,985
International Equities	168,633	—	—	—	168,633
Other Mutual Funds	340,328	10,781	189,027	461,689	1,001,825
Real Estate	—	—	4,041	98,118	102,159
Commingled Funds	208,784	705,647	80,640	3,022,566	4,017,637
Total	**$ 2,250,502**	**$ 4,344,608**	**$ 293,218**	**$ 3,584,377**	**$ 10,472,705**

E. Securities Lending

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

Cash collateral for TRS, ERS, 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, 2021, the average term of the loans secured by QDF was 9, 14, and 26 days, respectively for the TRS, ERS, and JRF. As of September 30, 2021, the average term of the loans secured by GSLT was 7 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, 2021, the average term of the loans was 73 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, 2021. 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	$ 57,638	$ 197,957	$ 35,092	$ 9,045
Domestic Equity	49,864	536,970	163,969	4,463
International Equity	10,671	719,108	19,394	—
Total Lent for Cash Collateral	118,173	1,454,035	218,455	13,508
For Non-cash Collateral				
Domestic Fixed Maturities	6,392	615,623	81,080	11,092
Domestic Equity	15,145	1,043,717	81,733	79
International Equity	8,550	251,489	5,019	—
Total Lent for Non-Cash Collateral	30,087	1,910,829	167,832	11,171
Total Securities Lent	**$ 148,260**	**$ 3,364,864**	**$ 386,287**	**$ 24,679**
Type of Collateral Received				
Cash Collateral				
Cash Collateral - Invested in				
State Street Quality D Fund	0	0	$ 51,023	0
State Street Global Securities Lending Trust	28,460	1,521,152	174,794	13,811
BNYM investments	102,253	—	—	—
Total Cash Collateral	130,713	1,521,152	225,817	13,811
Non-Cash Collateral				
For Lent Domestic Fixed Maturities				
Securities Collateral				
EURO	23	24	17	76
US Dollar	1,879	311,706	67,553	3,639
British Pound Sterling	61	64	43	200
Australian Dollar	—	248	168	781
For Lent Domestic Equity Securities				
Securities Collateral				
US Dollar	17,314	1,131,086	86,940	87
For Lent International Equity Securities				
Securities Collateral				
EURO	0	6,111	68	0
British Pound Sterling	—	156	—	—
US Dollar	3,438	589,534	21,592	7,387
Total Non-Cash Collateral Received	**22,715**	**2,038,929**	**176,381**	**12,170**
Total Collateral Received	**$ 153,428**	**$ 3,560,081**	**$ 402,198**	**$ 25,981**

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, 2021, the ATF had investments in TBA mortgage-backed securities in the amount of $11,421,100. 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. The impact of credit risk is minimized as the interest rate swap is a liability at September 30, 2021 and 2020. The swap agreement, which expires on October 1, 2021, is based on an amortizing notional amount, which was $7,970,000 at September 30, 2021. As of September 30, 2021 and 2020, the interest rate swap had a negative fair value of $250,000 and $423,000, respectively, and is recorded in the accompanying financial statements in accordance with GASB Statement No. 53 as an investment derivative instrument. The Authority was required to post collateral deposits in fiscal 2009 and 2010 due to the negative position of the interest rate swap. The balance of the collateral was approximately $7.6 million at September 30, 2021 and 2020. 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 swap agreement expired in October 2021, and the collateral balance of approximately $7,600,000 was returned to the Authority.

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, 2021 (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	$ (93)	Domestic Equity	$ (50)	$ (2,354)
Domestic Options Purchased	116	Domestic Equity	—	1,102
Total Domestic Options	23		(50)	(1,252)
International Options Written	—	International Equity	—	(242)
Total TRS Options	**$ 23**	**Total TRS**	**$ (50)**	**$ (1,494)**
ERS				
Domestic Options Written	$ (45)	Domestic Equity	$ (24)	$ (1,164)
Domestic Options Purchased	56	Domestic Equity	—	544
Total Domestic Options	11		(24)	(620)
International Options Written	—	International Equity	—	(114)
Total ERS Options	**$ 11**	**Total ERS**	**$ (24)**	**$ (734)**
JRF				
Domestic Options Written	$ (2)	Domestic Equity	$ (1)	$ (46)
Domestic Options Purchased	2	Domestic Equity	—	22
Total Domestic Options	—		(1)	(24)
International Options Written	—	International Stocks	—	(5)
Total JRF Options	**$ 0**	**Total JRF**	**$ (1)**	**$ (29)**

§ 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, 2021, 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, 2021 for ATF:

Investment Derivative Instruments
(Amounts in thousands)

	Changes in Fair Value §	Fair Value as of September 30, 2021	
	Amount	Amount	Notional
Credit Default Swaps	$ 2	$ 103	$ 11,906
Interest Rate Swaps	2,708	2,948	(933)
Futures	(1,096)	(1,075)	146,298
Total Derivatives	**$ 1,614**	**$ 1,976**	**$ 157,270**

§ 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 $4,063,000. 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, 2021, 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	$ 445,681	$ 9,573	$ 900	$ 454,354
Historical Exhibits	4,127	—	—	4,127
Construction in progress	81,303	23,518	69,785	35,036
Construction in progress - Infrastructure	2,455,107	207,865	418,891	2,244,081
Infrastructure	17,902,707	418,891	—	18,321,598
Intangible Assets under Development	—	5,508	—	5,508
Total capital assets not being depreciated	**20,888,925**	**665,355**	**489,576**	**21,064,704**
Capital assets being depreciated:				
Buildings	2,073,563	87,504	10,632	2,150,435
Equipment	806,513	83,349	84,142	805,720
Software and Other Intangible Assets	96,448	—	—	96,448
Total capital assets being depreciated	**2,976,524**	**170,853**	**94,774**	**3,052,603**
Less accumulated depreciation:				
Buildings	914,309	47,930	2,910	959,329
Equipment	466,824	64,578	66,658	464,744
Software and Other Intangible Assets	39,570	7,379	—	46,949
Total accumulated depreciation	**1,420,703**	**119,887**	**69,568**	**1,471,022**
Total capital assets being depreciated, net	**1,555,821**	**50,966**	**25,206**	**1,581,581**
Governmental-type activities capital assets, net	**$ 22,444,746**	**$ 716,321**	**$ 514,782**	**$ 22,646,285**

Depreciation Expense for the current year is charged as follows:

Economic Development and Regulation	$ 3,058
Social Services	7,457
Education and Cultural Resources	6,535
Natural Resources and Recreation	11,828
Health	11,321
General Government	16,808
Protection of Persons and Property	28,642
Transportation	34,238
Total Depreciation Expense	**$ 119,887**

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	$ 77,054	$ 0	0	$ 77,054
Historical Exhibits	2,350	—	—	2,350
Construction in progress	39,807	63,118	78,547	24,378
Inexhaustible Intangible Assets	10	—	—	10
Total capital assets not being depreciated	**119,221**	**63,118**	**78,547**	**103,792**
Capital assets being depreciated:				
Buildings	734,064	49,568	3	783,629
Equipment	407,177	11,277	987	417,467
Software and Other Intangible Assets	10,848	—	—	10,848
Total capital assets being depreciated	**1,152,089**	**60,845**	**990**	**1,211,944**
Less accumulated depreciation				
Buildings	374,276	19,423	3	393,696
Equipment	250,056	12,599	944	261,711
Software and Other Intangible Assets	10,842	—	—	10,842
Total accumulated depreciation	**635,174**	**32,022**	**947**	**666,249**
Total capital assets being depreciated, net	**516,915**	**28,823**	**43**	**545,695**
Business-type activities capital assets, net	**$ 636,136**	**$ 91,941**	**$ 78,590**	**$ 649,487**

Depreciation Expense for the current year is charged as follows:

State Port Authority	$ 30,461
Alcoholic Beverage Control Board	607
Other Nonmajor Enterprise Funds	954
Total Depreciation Expense	**$ 32,022**

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	$ 395,897	$ 9,002	$ 2,102	$ 402,797
Historical Exhibits	134,216	2,738	5	136,949
Construction in progress	609,929	522,704	482,180	650,453
Total capital assets not being depreciated	**1,140,042**	**534,444**	**484,287**	**1,190,199**
Capital assets being depreciated:				
Buildings	13,178,480	670,572	179,556	13,669,496
Equipment	3,124,111	254,469	74,082	3,304,498
Software and Other Intangibles	197,889	7,284	10,067	195,106
Total capital assets being depreciated	**16,500,480**	**932,325**	**263,705**	**17,169,100**
Less accumulated depreciation				
Buildings	5,065,701	371,164	37,608	5,399,257
Equipment	2,381,666	172,225	65,775	2,488,116
Software and Other Intangible Assets	113,810	5,481	8,868	110,423
Total accumulated depreciation	**7,561,177**	**548,870**	**112,251**	**7,997,796**
Total capital assets being depreciated, net	**8,939,303**	**383,455**	**151,454**	**9,171,304**
Component Units capital assets, net	**$ 10,079,345**	**$ 917,899**	**$ 635,741**	**$ 10,361,503**

Depreciation Expense for the current year is charged as follows:

University of Alabama	$ 250,897
Auburn University	103,448
University of South Alabama	56,661
Alabama Community College System	54,087
Other Nonmajor Component Units	83,777
Total Depreciation Expense	**$ 548,870**

NOTE 5 - LIABILITIES

A. Future Commitments

1. Construction Projects

a. Primary Government
At September 30, 2021, the Department of Transportation had construction and maintenance contracts of $2,044,378,000. The amount already performed was $1,406,693,000, leaving an outstanding balance of $637,685,000. The funding sources for this amount are 76 percent federal funds and 24 percent State and local funds.

The estimated remaining cost of the contract with the U. S. Army Corps of Engineers for the channel deepening and widening of Mobile Harbor is $68,333,000. The State Port Authority has contracts for several other projects with estimated costs to complete of approximately $20,000,000.

b. Component Units
The University of Alabama at Birmingham had construction and renovation commitments remaining at September 30, 2021 of approximately $293 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 $676.1 million. At September 30, 2021, the estimated remaining cost to complete the projects was approximately $262.5 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, 2021. The estimated remaining costs to complete the construction and renovation was approximately $62 million which is expected to be financed from private gifts, grants, bond proceeds, and University funds.

At September 30, 2021, the University of South Alabama had commitments of approximately $29 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, 2021, the State has committed to funding economic development grants and training totaling $75,323,000. Available cash for these commitments includes General Obligation bonds, $26,688,000 from the 2018-A General Obligation bonds and $5,335,000 from the 2018-B General Obligation bonds. The State anticipates that of these commitments, $45,431,000 will be paid in fiscal year 2022 and $29,892,000 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, 2021, there were encumbrances in the General Fund totaling $6,063,000, the Education Trust Fund $9,742,000, the Public Road and Bridge Fund $57,125,000, the Medicaid Fund $4,839,000, the Public Welfare Trust Fund $7,031,000, the Alabama Trust Fund $99,000, and non-major governmental funds $52,753,000.

B. Claims and Judgments

The Department of Transportation finances its own risk for state employee injury compensation. The Department had $9,794,000 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, 2021, the total estimated pollution remediation liability (estimated using the expected cash-flow technique) is $3,532,000. The current portion of $458,000 is included in accounts payable and the long-term portion of $3,075,000 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 $96,191,000 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
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	43,740	12,716	56,456
2027-2031	133,585	41,312	174,897
2032-2036	88,925	17,212	106,137
2037-2039	37,285	2,390	39,675
Total	521,235	**$ 148,833**	**$ 670,068**
Unamortized Premium	44,948		
	$ 566,183		

GENERAL OBLIGATION BONDS PAYABLE
(Amounts in Thousands)

General Obligation Issue (Amounts in Thousands)	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2021
Series 2013 A - Refunding Bonds	08/01/13	08/01/25	0.20 % to 3.30%	$ 40,005
Series 2013 B	08/01/13	08/01/33	0.20 to 4.40	22,690
Series 2014 A - Refunding Bonds	08/01/14	08/01/26	0.60 to 2.60	111,585
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	5,840
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	29,435
Series 2018-C	12/06/18	11/01/23	1.91 % to 2.24%	14,680
Sub-total General Obligation Bonds				521,235
‡ Plus: Unamortized Premiums				44,948
Total General Obligation Bonds				**$ 566,183**

‡ Unamortized premiums of $1,794 for Series 2013-A, $713 for Series 2013-B, $7,363 for Series 2014-A, $7,347 for Series 2016-A, $69 for Series Series 2016-B, $12,793 for Series 2016-C, $14,254 for Series 2018-A and $615 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 $113,843,000 and $1,012,899,000, 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 $16,324,000 and $13,622,000, 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 $260,510,000. Sales taxes, use taxes, leasing taxes, and utilities gross receipts and use taxes for the current year were $3,005,829,000.

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 $2,120,000. Tobacco and liquor taxes for the current year were $40,715,000.

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 $15,992,000 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 $1,599,000 and $20,663,000, 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 $25,364,000 and $390,460,000 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 $53,851,000 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, 2021**
Alabama Building Renovation Finance Authority				
Series 2010	07/21/10	09/01/24	2.50 % to 4.00%	$ 7,115
Alabama Public Health Care Authority				
Series 2015	03/12/15	09/01/44	2.00 to 5.00	51,075
Series 2016	04/24/16	09/01/35	0.75 to 3.12	17,780
Alabama Federal Aid Highway Finance Authority				
Series 2012	12/06/12	09/01/26	0.35 to 2.40	32,385
Series 2015	01/21/15	09/01/36	2.34 to 2.99	499,420
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	360,695
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	53,760
Series 2019-A Refunding Bonds	09/01/19	09/01/29	1.27 to 1.83	17,540
Series 2019-B Refunding Bonds	09/01/19	09/01/42	2.15 to 3.07	129,870
Alabama Public School and College Authority				
Series 2009-D	12/03/09	12/15/25	3.70 to 3.70	145,880
Series 2010-Q	09/14/10	03/01/27	5.15 to 5.15	154,727
Series 2011-A	06/02/11	05/01/26	4.60 to 4.60	51,270
Series 2012-A Refunding Bonds	02/29/12	03/01/24	3.00 to 5.00	13,940
Series 2012-B Refunding Bonds	02/29/12	03/01/29	2.50 to 5.00	26,530
Series 2012-C Direct Placement	10/31/12	11/01/22	1.55 to 1.55	1,265
Series 2012-D Direct Placement	10/31/12	11/01/22	2.02 to 2.02	6,340
Series 2013-A	06/24/13	06/01/33	3.00 to 5.00	23,805
Series 2013-B	06/24/13	06/01/33	4.00 to 5.00	2,510
Series 2013-C	10/09/13	09/01/33	1.48 to 4.10	31,115
Series 2013-D	10/09/13	09/01/33	0.45 to 4.25	6,115
Series 2014-A Refunding Bonds	05/15/14	02/01/26	0.20 to 2.72	35,465
Series 2014-B	07/01/14	01/01/27	1.26 to 2.80	383,125
Series 2015-A Refunding Bonds	04/16/15	05/01/24	1.45 to 2.17	21,155
Series 2015-B Refunding Bonds	04/16/15	05/01/29	1.27 to 3.23	37,510
Series 2015-C	04/16/15	06/01/29	0.37 % to 2.98%	21,280
Sub-Total (Continued on next page)				$ 2,508,042

PRIMARY GOVERNMENT, Continued

Governmental Activities Revenue Bonds (Amounts in Thousands)	**Date Issued**	**Final Maturity Date**	**Interest Rates**	**Bonds Payable Sept. 30, 2021**
Sub-Total from previous page				**$ 2,508,042**
Alabama Public School and College Authority (Continued)				
Series 2016-A	06/23/16	06/01/36	0.75 % to 3.00 %	24,025
Series 2017-A	10/24/17	12/01/37	1.05 to 3.24	16,595
Series 2019-A	05/15/19	05/01/39	1.53 to 3.05	24,235
Series 2020-A Capital Improvement and Ref Bonds	10/22/20	11/01/40	0.03 to 1.98	1,274,750
Series 2020-B Capital Improvement and Ref Bonds	10/22/20	11/01/22	0.25 to 0.35	22,670
Series 2020-C Capital Improvement and Ref Bonds	10/22/20	11/01/35	0.25 to 2.44	143,650
Mental Health Finance Authority				
Series 2012 - Direct Placement	07/01/12	06/01/23	2.12 to 2.12	4,135
Alabama Revolving Loan Fund Authority				
Series 2010	12/01/10	03/01/30	2.50 to 6.13	11,060
Alabama Highway Finance Corporation				
Series 2020A	08/04/20	08/01/40	0.11 to 1.37	102,335
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%	425,005
Sub-total Revenue Bonds Payable				4,637,427
§ Plus: Unamortized Premiums				542,349
† Less: Unamortized Discounts				(1,837)
Net Primary Government Revenue Bonds Payable, Governmental Activities				**$ 5,177,939**

§ Unamortized premium is $132,029 for Federal Aid Highway Finance Authority, $479 for Building Renovation Finance Authority, $4,268 for the Alabama Public Health Care Authority, $373,364 for the Alabama Public School and College Authority, $2,933 for the Incentives Financing Authority, $15 for the Alabama Revolving Loan Authority and $29,261 for the Alabama Highway Finance Corporation.

† Unamortized discount is $1,837 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**
2022	$ 259,085	$ 202,440	$ 253,310	$ 202,241	$ 5,775	$ 199
2023	263,560	191,180	257,595	191,098	5,965	82
2024	267,440	178,905	267,440	178,905	—	—
2025	260,395	166,736	260,395	166,736	—	—
2026	462,575	152,749	462,575	152,749	—	—
2027-2031	1,370,137	541,401	1,370,137	541,401	—	—
2032-2036	1,076,435	283,009	1,076,435	283,009	—	—
2037-2041	653,080	71,078	653,080	71,078	—	—
2042-2044	24,720	1,744	24,720	1,744	—	—
	4,637,427	**$ 1,789,242**	4,625,687	**$ 1,788,961**	11,740	**$ 281**
Unamortized Premiums	542,349		542,349		—	
Unamortized Discounts	(1,837)		(1,837)		—	
Totals	**$ 5,177,939**		**$ 5,166,199**		**$ 11,740**	

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, 2021. Principal and interest paid for the current year and gross revenues were $27,017,000 and $151,656,000 respectively.

PRIMARY GOVERNMENT **Business-Type Activities** **Revenue Bonds, Proprietary Funds** **(Amounts in Thousands)**	**Date Issued**	**Final Maturity Date**	**Interest Rates**	**Bonds Payable Sept. 30, 2021**
State Port Authority				
Series 2008-A - Direct Placement	04/01/08	10/01/21	Variable	$ 8,040
Series 2017-A	02/23/17	10/01/35	1.12 % to 3.89%	121,995
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	128,975
Series 2020 - Direct Placement	10/01/20	10/01/40	1.91 % to 1.91%	46,986
Sub-total Revenue Bonds Payable, Proprietary Funds				312,126
Plus: Unamortized Premium				11,660
Net Primary Government Revenue Bonds Payable, Proprietary Funds				**$ 323,786**

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**
2022	$ 14,937	$ 12,717	$ 4,945	$ 11,856	$ 9,992	$ 861
2023	13,813	12,448	11,825	11,623	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	12,120	11,077	10,015	10,370	2,105	707
2027-2031	65,441	47,281	54,300	44,375	11,141	2,906
2032-2036	84,817	31,091	72,570	29,309	12,247	1,782
2037-2041	98,202	11,210	84,740	10,665	13,462	545
	312,126	**$ 149,424**	257,100	**$ 140,264**	55,026	**$ 9,160**
Unamortized Premiums	11,660		11,660		—	
Totals	**$ 323,786**		**$ 268,760**		**$ 55,026**	

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, 2021
Alabama Housing Finance Authority				
Single Family Bond Programs	2000-2016	2026-2036	2.43 % to 7.80%	$ 11,162
Alabama Drinking Water Authority				
Revolving Fund Loan Bonds	2012-2015	2024-2027	0.05 to 5.00%	14,715
Alabama Space Science Exhibit Finance Authority	2014	2032	5.09 to 5.09	7,995
Higher Education				
University of Alabama - Tuscaloosa	2010-2019	2021-2049	1.25 to 5.88	1,093,795
University of Alabama - Birmingham				
Public Offerings	2005-2019	2021-2049	1.00 to 5.80	962,481
Direct Placements	2017	2022	2.06 to 2.06	21,056
University of Alabama - Huntsville	2012-2019	2023-2048	0.73 to 5.00	135,227
Athens State	2021	2022-2031	2.35 to 6.30	9,195
Alabama State University	1982-2018	2022-2042	2.00 —	51,735
Auburn University	2012-2021	2024-2050	0.45 % to 5.00	1,075,267
Jacksonville State University	2016-2020	2033-2051	various	131,835
University of West Alabama	2012-2020	2039-2042	various	51,145
University of Montevallo	1985-2019	2023-2047	1.75 to 5.00	46,998
University of North Alabama	2010-2021	2035-2043	0.48 to 5.00	117,445
Alabama Community College System	various	various	various	289,917
University of South Alabama	2013-2021	2024-2049	1.40 % to 5.00%	443,586
Troy University				
Public Offerings	2015-2019	2029-2036	various	109,715
Direct Placements	2010-2014	2024-2028	various	10,960
Total Revenue Bonds Payable				4,584,229
Less: Unamortized Discounts †				(541)
Plus: Unamortized Premium §				279,261
				$ 4,862,949

† Unamortized discounts were $49 for the University of North Alabama and $492 for Alabama State University.
§ Unamortized premiums were $84,701 for the University of Alabama - Tuscaloosa, $60,220 for Auburn University, $40,173 for the University of South Alabama, $16 for Alabama State University, $44,877 for the University of Alabama - Birmingham, $3,410 for the University of West Alabama, $10,323 for Jacksonville State University,$634 for the Alabama Drinking Water Authority, $10,850 for Troy University, $11,799 for the University of Alabama - Huntsville, $10,400 for the University of North Alabama, and $1,859 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**
2022	$ 191,722	$ 172,313	$ 181,300	$ 171,684	$ 10,422	$ 629
2023	195,795	166,886	181,640	166,441	14,155	445
2024	186,664	160,109	185,064	159,908	1,600	201
2025	191,809	153,292	190,714	153,132	1,095	160
2026	228,871	163,787	227,741	163,661	1,130	126
2026-2030	1,004,752	612,601	1,001,137	612,435	3,615	166
2031-2035	1,024,871	410,494	1,024,871	410,494	—	—
2036-2040	873,225	222,519	873,225	222,519	—	—
2041-2045	465,020	85,576	465,020	85,576	—	—
2046-2050	218,655	16,380	218,655	16,380	—	—
2051-2055	2,845	240	2,845	240	—	—
2056-2060	—	—	—	—	—	—
	4,584,229	**$ 2,164,197**	4,552,212	**$ 2,162,470**	32,017	**$ 1,727**
Unamortized Premiums	279,261		279,261		—	
Unamortized Discounts	(541)		(541)		—	
Totals	**$ 4,862,949**		**$ 4,830,932**		**$ 32,017**	

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 issued Alabama School and College Series (APSCA) 2020-A bonds. A portion of the bonds was used to advance refund $77,205,000 in APSCA Series 2007 bonds. The refunding resulted in a reduction in cash flow of $9,512,000 and an economic gain of $8,795,000.

The State issued APSCA Series 2020-B bonds. A portion of the bonds was used to partially refund the Series 2012 and 2013-C on an advance basis. The refunding resulted in a reduction in cash flow of $4,954,000 and an economic gain of 4,179,000.

The State issued APSCA Series 2020-C bonds. A portion of the bonds was used to partially refund Series 2013 A, B, and D bonds and Series 2015 C bonds. The refunding resulted in a reduction in cash flow of $12,886,000 and an economic gain of $11,072,000.

b. Component Units

The University of North Alabama issued Series 2021B refunding bonds to partially refund, on a current basis, Series 2012 and 2014 bonds. The refunding resulted in a reduction in cash flow of $4,760,000.

c. Advance Refunded Bonds

Advance refunded bonds with remaining balances at September 30, 2021:

Primary Government	Amount
Alabama Federal Aid Highway Finance Authority	$ 146,215,000
Alabama Incentives Finance Authority 2012-A	123,385,000
Alabama Public School and College Authority 2012	9,440,000
Alabama Public School and College Authority 2013-A	58,595,000
Alabama Public School and College Authority 2013-B	45,190,000
Alabama Public School and College Authority 2013-C	11,480,000
Alabama Public School and College Authority 2013-D	10,590,000
Alabama Public School and College Authority 2015-C	15,750,000
Component Units	
University of South Alabama	77,455,000

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, 2021, the Alabama Drinking Water Authority and the Water Pollution Control Authority had an arbitrage rebates due of $192,000 and $376,000, respectively.

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	$ 500,715	$ 249,285
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**	**$ 920,796**	**$ 658,204**

§ 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, 2021, 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.

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 0.73%.

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 0.25%. Conversely, the Series 2016-B, C, and D Bonds bear interest at a variable rate of 79% of the benchmark plus 72, 77, and 83 basis points, respectively.

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 ($1,663,000) and $(3,001,000) in the Statement of Net Position at September 30, 2021 and 2020 respectively. The change in the fair value of the swap of $1,338,000 and $652,000, respectively, during the years ended September 30, 2021 and 2020, is reported as a deferred inflow and contra liability (other long-term liabilities) in the statements 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 $621,000 and $197,000 at September 30, 2021 and 2020, respectively.

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 ($36,654,0000) and ($47,161,000) in the statements of net position at September 30, 2021 and 2020, respectively. The change in fair value of the swap of $10,507,000 and ($5,064,000) during the years ended September 30, 2021 and 2020, respectively, is reported as a deferred outflow and contra asset (other noncurrent assets) in the statements of net position at September 30, 2021 and 2020 since the interest rate swap is a hedging derivative instrument. Net deferred inflows and outflows of resources for the 2016 interest rate swap totaled $306,000 and $8,417,000 of deferred outflows at September 30, 2021 and 2020, respectively.

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 0.48% and 0.54% 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, 2021 and 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, 2021 and 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, 2021, 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
2022	$ 7,655	$ 164	$ 945	$ 8,764
2023	8,050	131	550	8,731
2024	8,455	54	176	8,685
Totals	**$ 24,160**	**$ 349**	**$ 1,671**	**$ 26,180**

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
2022	$ 0	$ 877	$ 4,663	$ 5,540
2023	—	1,155	4,385	5,540
2024	—	1,403	4,137	5,540
2025	5,600	1,447	3,929	10,976
2026-2030	32,610	6,340	15,429	54,379
2031-2035	41,880	3,388	8,102	53,370
2036-2039	19,910	259	831	21,000
Totals	**$ 100,000**	**$ 14,869**	**$ 41,476**	**$ 156,345**

8. Notes, Mortgages, and Capital Leases

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

	Govt-type Activities	
Maturity	**Principal**	**Interest**
2022	$ 5,788	$ 4,478
2023	5,996	4,192
2024	6,284	3,894
2025	6,385	3,583
2026	6,585	3,267
2027-2031	31,274	11,551
2032-2036	22,286	5,646
2037-2041	13,738	2,190
2042-2046	4,573	406
2047-2051	863	125
2052-2054	210	12
Grand-totals	**$ 103,982**	**$ 39,344**

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**
2022	$ 9,666	$ 1,977	$ 9,666	$ 1,977	$ 0	$ 0
2023	6,394	1,695	5,568	1,695	826	—
2024	5,863	1,525	5,863	1,525	—	—
2025	5,973	1,347	5,973	1,347	—	—
2026	6,238	1,160	6,238	1,160	—	—
2027-2031	29,488	2,920	29,488	2,920	—	—
2032-2036	4,880	123	4,880	123	—	—
Grand-totals	**$ 68,502**	**$ 10,747**	**$ 67,676**	**$ 10,747**	**$ 826**	**$ 0**

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

Maturity	Principal	Interest
2022	$ 56,958	$ 8,170
2023	22,098	8,163
2024	11,795	7,791
2025	12,091	7,288
2026	13,217	6,863
2027-2031	71,442	26,460
2032-2036	62,267	19,297
2037-2041	35,966	9,467
2042-2046	25,500	4,722
2047-2051	11,210	551
Totals	**$ 322,544**	**$ 98,772**

At September 30, 2021, assets recorded under capital leases were as follows:

	Governmental Activities (Amts in Thousands)
Buildings	$ 191,812
Less: accumulated depreciation	88,579
Total	**$ 280,391**

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	$ 591,115	$ 0	$ 69,880	$ 521,235	$ 59,135
Revenue Bonds - Public Offerings	3,663,282	1,480,835	518,430	4,625,687	253,310
Revenue Bonds - Direct Placements	36,280	—	24,540	11,740	5,775
Total Bond Principal	4,290,677	1,480,835	612,850	5,158,662	318,220
Plus: Premiums	315,473	342,690	70,866	587,297	—
Less: Discounts	1,995	—	158	1,837	—
Total Bonds Payable	4,604,155	1,823,525	683,558	5,744,122	318,220
Leases	91,916	17,680	5,614	103,982	5,788
Direct Borrowings	77,094	1,205	10,623	67,676	9,666
Claims & Judgments	115,498	30,678	12,799	133,377	4,012
Compensated Absences	318,169	184,975	179,525	323,619	27,435
Net Pension Liabilities	3,578,203	1,052,461	750,823	3,879,841	—
Net OPEB Liability	1,621,614	129,103	806,277	944,440	—
Total Governmental Activities	**10,406,649**	**3,239,627**	**2,449,219**	**11,197,057**	**365,121**
Business-type Activities:					
Revenue Bonds - Public Offerings	274,990	—	6,230	268,760	4,945
Revenue Bonds - Direct Placements	62,686	—	7,660	55,026	9,992
Direct Borrowings	940	—	114	826	—
Claims & Judgments	31,198	41,878	21,589	51,487	49,733
Compensated Absences	12,101	3,968	4,939	11,130	3,316
Net Pension Liabilities	86,321	27,852	17,729	96,444	—
Net OPEB Liability	77,349	6,238	40,971	42,616	—
Other Long-Term Liabilities ‡	5,236	—	357	4,879	420
Total Business-Type Activities	**550,821**	**79,936**	**99,589**	**531,168**	**68,406**
Total Primary Government	**$ 10,957,470**	**$ 3,319,563**	**$ 2,548,808**	**$ 11,728,225**	**$ 433,527**
Component Units:					
Revenue Bonds - Public Offerings	$ 4,949,746	$ 447,399	$ 566,213	$ 4,830,932	$ 181,300
Revenue Bonds - Direct Placements	163,959	7,727	139,669	32,017	10,422
Direct Borrowings	332,080	56,515	66,051	322,544	56,958
Compensated Absences	201,286	8,092	2,424	206,954	158,778
Net Pension Liabilities	4,272,761	1,661,435	1,061,840	4,872,356	—
Net OPEB Liabilities	1,042,441	1,334,249	105,608	2,271,082	—
Claims & Judgments	127,613	1,501,960	1,458,257	171,316	69,021
Other Long-Term Liabilities §	294,185	22,587	125,075	191,697	—
Total Component Units	**$ 11,384,071**	**$ 5,039,964**	**$ 3,525,137**	**$ 12,898,898**	**$ 476,479**

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

§ Other Long-term liabilities are payable as follows: University of Alabama at Tuscaloosa $156,114, University of Alabama at Birmingham $28,831, University of Alabama at Huntsville $906, Auburn University $23,473, University of South Alabama, $72,281, University of North Alabama $211, the Alabama Community College System, $26,926.

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

Funds	Compensated Absences	Pension Liabilities	Other Postemployment Liabilities
Major Funds			
General Fund	19 %	22 %	24 %
Public Welfare Fund	17	12	13
Public Road and Bridge Fund	15	11	15
Education Trust Fund	3	3	3
Medicaid	2	1	1
Non-major Funds			
Miscellaneous Special Revenue Funds	8	8	8
Public Health	7	6	6
Law Enforcement	7	9	5
Mental Health	4	4	4
Revenue Administration	4	4	4
Labor	3	2	2
Education Department	2	2	2
Rehabilitation Services	2	2	2
Conservation	2	2	3
Other	5	9	8

NOTE 6 - DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

All of the deferred inflows of resources which total $574,784,000 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	$ 38,959	$ 12,311	$ 51,270
Pension Related	615,537	15,247	630,784
OPEB Related	251,808	17,150	268,958
Total Deferred Outflows of Resources	**$ 906,304**	**$ 44,708**	**$ 951,012**
Deferred Inflows of Resources			
Gains from Bond Refundings	$ 4,864	$ 0	$ 4,864
Pension Related	18,905	1,014	19,919
OPEB Related	1,795,007	86,902	1,881,909
Total Deferred Inflows of Resources	**$ 1,818,776**	**$ 87,916**	**$ 1,906,692**

(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	$ 12,311	$ 0	$ 0	$ 12,311
Pension Related	3,320	7,026	1,403	11,749
OPEB Related	9,181	10,524	943	20,648
Total Deferred Outflows of Resources	**$ 24,812**	**$ 17,550**	**$ 2,346**	**$ 44,708**
Deferred Inflows of Resources				
Pension Related	$ 638	$ 52	$ 324	$ 1,014
OPEB Related	33,742	51,509	1,651	86,902
Total Deferred Inflows of Resources	**$ 34,380**	**$ 51,561**	**$ 1,975**	**$ 87,916**

(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	$ 5,453	$ 0	$ 0	$ 0	$ 5,453
Losses from Bond Refundings	36,521	34,868	5,886	—	1,226	9,599	88,100
Pension Related	528,477	209,580	63,905	1,207	132,782	175,566	1,111,517
OPEB Related	827,029	274,455	204,217	336	106,252	249,077	1,661,366
Total Deferred Outflows of Resources	**$ 1,392,027**	**$ 518,903**	**$ 279,461**	**$ 1,543**	**$ 240,260**	**$ 434,242**	**$ 2,866,436**
Gains from Bond Refundings	$ 0	$ 0	$ 3,442	$ 0	$ 0	$ 0	$ 3,442
Advance Grant Revenue	4,500	772	—	—	25,624	—	30,896
Split Interest - Remainder Interest	2,917	—	—	—	—	—	2,917
Pension Related	88,977	19,210	36,298	84	26,431	27,985	198,985
OPEB Related	692,610	229,748	178,643	2,221	172,887	283,426	1,559,535
Total Deferred Inflows of Resources	**$ 789,004**	**$ 249,730**	**$ 223,230**	**$ 2,305**	**$ 224,942**	**$ 311,411**	**$ 1,800,622**

NOTE 7 - INTERFUND ACTIVITY AND INTRA-ENTITY BALANCES

A. Interfund Balances

Interfund balances as of September 30, 2021 consisted of (amounts in thousands):

	DUE FROM												
DUE TO	General Fund	Education Trust Fund	Medicaid Fund	Public Road & Bridge Fund	Public Welfare Trust Fund	Alabama Trust 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	$ 0	$ 110	$ 0	$ 31,900	$ 0	$ 52	$ 0	**$ 32,062**
Education Trust	52	—	—	—	—	—	20	—	1,072	—	—	—	**$ 1,144**
State Port Authority	—	—	—	—	—	—	3,157	—	—	—	—	—	**$ 3,157**
Medicaid Fund	463	249	—	11	1,622	—	21,451	—	—	—	—	—	**$ 23,796**
Public Road & Bridge Fund	1	—	—	—	181	—	207	—	—	—	203	—	**$ 592**
Public Welfare Trust Fund	25	15	7,710	—	—	—	1	—	9,684	—	3	—	**$ 17,438**
Nonmajor Governmental	14,430	4,173	86,029	2,615	3,518	111	34,975	65	5,303	1,305	464	—	**$ 152,988**
Unemployment Compensation	—	—	—	—	—		523	—	—	—	—	—	**$ 523**
Alcoholic Beverage Control Board	—	—	—	—	—	—	66	—	—	—	—	—	**$ 66**
Nonmajor Enterprise Funds	2,144	—	—	—	—	—	3,372	—	—	—	—	—	**$ 5,516**
Internal Service Funds	1,573	701	789	715	1,985		6,579	—	219	1	773	5	**$ 13,340**
Fiduciary Funds	—	—	—	—	—	—	17	—	—	—	—	—	**$ 17**
Totals	**$ 18,688**	**$ 5,138**	**$ 94,528**	**$ 3,341**	**$ 7,306**	**$ 111**	**$ 70,478**	**$ 65**	**$ 48,178**	**$ 1,306**	**$ 1,495**	**$ 5**	**$ 250,639**

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 $18,688,000 in total. Of that amount, $14,430,000 is to due to Nonmajor Governmental Funds. The majority of the interfund payables is $757,000 due to Department of Corrections, $12,024,000 due to Human Resources, $2,318,000 owed to Alabama Department of Economic and Community Affairs, and $2,599,000 due to the Department of Finance.

The Education Trust Fund has interfund payables of $5,138,000 in total. Of that amount $4,173,000 was payable to Nonmajor Governmental Funds.

Medicaid owed $7,710,000 to the Public Welfare Trust Fund and $86,029,000 to Nonmajor Governmental Funds. Of the amount owed to Nonmajor Governmental Funds, $60,838,000 is due to Mental Health, $4,757,000 is due to Senior Services, $14,878,000 is due to Public Health, $1,445,000 is due to Youth Services with the remainder due to Rehabilitation Services, Attorney General, State Law Enforcement, and Early Childhood Education.

Nonmajor Governmental Funds have interfund payables totaling $70,478,000. Of that amount, $21,451,000 is owed to Medicaid, $34,975,000 is owed to other Nonmajor Governmental Funds, and $6,579,000 is owed to Internal Service Funds for goods and services.

The Alcoholic Beverage Control Board (ABC) has interfund payables totaling $48,178,000. ABC owed $31,900,000 to the General Fund and $9,684,000 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 $152,988,000. More than half, or $86,029,000 is due from Medicaid. The General Fund has the second most interfund receivables at $32,062,000. $31,900,000 of that amount is due from the Alcoholic Beverage Control Board. The Medicaid Fund ranks third in interfund receivables at $23,796,000. 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, 2021, consisted of (amounts in thousands):

PAYABLE BY	Public Education Employees' Health Insurance	Nonmajor Component Units	Total
General Fund	$ 0	$ 48	$ 48
Education Trust Fund	—	11	11
Medicaid	—	1	1
Public Welfare Trust Fund	—	2	2
Nonmajor Governmental	931	1,252	2,183
Alcoholic Beverage Control Board	—	1	1
Internal Service Funds	—	368	368
Primary Government	—	4,203	4,203
Totals	**$ 931**	**$ 5,886**	**$ 6,817**

The largest payable of $4,203,000 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, 2021 consisted of (amounts in thousands):

	PAYABLE FROM			
PAYABLE TO	University of Alabama	Public Education Employees' Health Insur	Nonmajor Component Units	Total
Nonmajor Governmental	$ 99,332	$ 522	$ 13,300	$ 113,154
Nonmajor Enterprise	—	—	10	10
Internal Service Funds	—	4	81	85
Totals	**$ 99,332**	**$ 526**	**$ 13,391**	**$ 113,249**

The component units of the State owe $113,249,000 to various funds of the State. The largest amount, $$99,332,000, 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. $13,300,000 is owed to Nonmajor Governmental funds by Nonmajor Component Units. Of that amount, $197,062 is owed by the Water Pollution Control Authority. This payable is owed to the Department of Environmental Management primarily for administrative and payroll costs. Most of the nonmajor governmental receivable are emergency loans, amounting in $12,946,640, issued to Jacksonville State University, a nonmajor component unit. The Internal Service Fund receivable of $85,000 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, 2021.

D. Interfund Transfers

Transfers among the various funds of the primary government during fiscal year 2021 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	$ 0	$ 30,227	$ 62	$ 80,752	$ 541,896	$ 0	$ 0	$ 0	$ 0	$ 6,241	$ 0	**$659,178**
Education Trust Fund	—	—	—	7,292	—	31,424	714,714	—	—	—	5,548	—	31,882	**790,860**
Alabama Trust	123,578	—	—	—	—	—	72,067	—	—	—	—	—	—	**195,645**
Medicaid	—	—	—	—	—	65,740	750,393	—	—	—	—	—	—	**816,133**
Public Road & Bridge Fund	—	—	—	—	—	—	159,874	—	—	—	—	196	—	**160,070**
Public Welfare Trust Fund	—	—	—	23,918	422	—	68,917	—	—	—	—	—	—	**93,257**
Nonmajor Governmental	98,391	—	1,100	183,851	74,916	3,721	2,230,097	2,010	28,904	60	26	7,706	—	**2,630,782**
Unemployment Compensation	—	—	—	—	—	—	9,451	—	—	—	—	—	—	**9,451**
State Port Auth	—	—	—	—	—	—	63	—	—	—	—	—	—	**63**
Alcoholic Beverage Control Board	51,258	—	—	—	—	1,030	17,225	—	—	—	—	—	—	**69,513**
Nonmajor Enterprise	—	—	—	—	—	—	14,166	—	—	—	—	—	—	**14,166**
Internal Service Funds	—	—	—	—	—	—	206	—	—	—	—	6,979	—	**7,185**
Fiduciary Funds	—	—	—	—	—	—	969	—	—	—	—	—	—	**969**
Totals	**$273,227**	**$ 0**	**$ 1,100**	**$245,288**	**$75,400**	**$182,667**	**$4,580,038**	**$ 2,010**	**$ 28,904**	**$ 60**	**$ 5,574**	**$21,122**	**$31,882**	**$5,447,27**

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 $659,178,000 transferred to other funds by the General Fund, $576,936,209 was transferred in compliance with the appropriation acts. Of that amount, $80,726,812 was transferred to the Public Welfare Trust Fund, $82,800,000 was transferred to the Fair Trial Tax Fund, a Nonmajor Governmental Fund, $60,771,347 was transferred to Public Health , a Nonmajor Governmental Fund, and $341,976,782 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 $790,860,000 transferred out of the Education Trust Fund, $730,471,389 was transferred in compliance with the appropriation acts. Of that amount, Education Trust Fund Stabilization received $146,603,334, and Education Trust Fund Advancement and Technology Fund received $307,073,154. Also, the Prepaid Affordable College Tuition Fund (PACT), a Fiduciary Fund, received $31,882,000, the Public Welfare Trust Fund received $31,424,000, and the Mental Health Department received $58,015,882. The remaining Education Trust Fund transfers were made in small amounts to comply with various statutes.

The Alcoholic Beverage Control Board transferred $51,258,000 to the General Fund which represents the General Fund's statutorily mandated share of the Board's profits. Also, $16,895,695 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 $123,578,000 and the Nonmajor Governmental Funds received $72,067,322. Within the Nonmajor Governmental Funds, the Forever Wild Land Trust Fund received $15,000,000, the County Government Capital Improvement Fund received $17,541,416, the Municipal Government Capital Improvement Fund received $17,541,416, the Alabama Capital Improvement Trust Fund received $18,412,541, the County and Municipal Capital Improvement Trust Fund received $1,805,648 and the Senior Services Trust Fund received $1,754,142.

Medicaid transferred out $65,740,000 to the Public Welfare Trust and $750,393,000 to Nonmajor Governmental Funds to fund services provided to Medicaid recipients. Within Nonmajor Governmental Funds, the Department of Mental Health received $526,229,000 the Department of Public Health received $43,732,000, and the Department of Senior Services received $81,328,000. 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.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported. This liability and expense is determined by a professional actuary. The SIF has a $25,000,000 cumulative loss or aggregate annual deductible or loss retention for all perils eroding the annual deductible. Excess insurance covers claims exceeding the retention levels with a $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 2021, 2020, and 2019 for settlements in excess of deductibles totaled $11,869,096, $10,132,154, and $37,285,883 respectively.

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

(Amounts in Thousands)	September 30, 2021	September 30, 2020
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 29,200	$ 15,328
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	7,600	34,000
Increase (Decrease) in provision for insured events of prior years	34,267	(1,514)
Total incurred claims and adjustment expenses	41,867	32,486
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(1,865)	(10,921)
Claims and adjustment expenses attributable to insured events of prior years	(19,500)	(7,693)
Total payments	(21,365)	(18,614)
Reported claims payable and estimated claims incurred but not reported at end of year	**$ 49,702**	**$ 29,200**

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

2. General Liability Trust Fund

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

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

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

(Amounts in Thousands)	September 30, 2021	September 30, 2020
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 36,088	$ 26,620
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	8,000	7,209
Increase (Decrease) in provision for insured events of prior years	2,344	5,604
Total incurred claims and adjustment expenses	10,344	12,813
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(352)	(209)
Claims and adjustment expenses attributable to insured events of prior years	(3,096)	(3,136)
Total payments	(3,448)	(3,345)
Reported claims payable and estimated claims incurred but not reported at end of year	**$ 42,984**	**$ 36,088**

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, 2021	September 30, 2020
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 27,981	$ 28,517
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	5,191	5,915
Increase (Decrease) in provision for insured events of prior years	(1,256)	(2,887)
Total incurred claims and adjustment expenses	3,935	3,028
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(1,406)	(1,327)
Claims and adjustment expenses attributable to insured events of prior years	(3,376)	(2,237)
Total payments	(4,782)	(3,564)
Reported claims payable and estimated claims incurred but not reported at end of year	**$ 27,134**	**$ 27,981**

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 $10,089,000, and total claims payments were $4,782,000 in 2021. The Department of Transportation had $9,794,000 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, 2021	September 30, 2020
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 34,361	$ 31,428
Incurred claims and adjustment expenses:		
Provision for insured claims of the current year	360,205	335,189
Adjustment to estimated claims incurred but not reported at end of year	5,031	470
Total incurred claims and adjustment expenses	365,236	335,659
Payments:		
Claims and adjustment expenses attributable to insured claims of the current year	(338,093)	(309,436)
Claims and adjustment expenses attributable to insured claims of prior years	(23,702)	(23,290)
Total payments	(361,795)	(332,726)
Reported claims payable and estimated claims incurred but not reported at end of year	**$ 37,802**	**$ 34,361**

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 2021 and $800 in 2020. 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 2021 and 2020:

(Amounts in Thousands)	September 30, 2021	September 30, 2020
Unpaid claims and claim adjustment expense at beginning of year	$ 90,960	$ 84,506
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	1,126,836	967,242
Increase (Decrease) in provision for insured events of prior years	8,327	5,543
Total incurred claims and adjustment expenses	1,135,163	972,785
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(995,362)	(876,282)
Claims and adjustment expenses attributable to insured events of prior years	(99,287)	(90,049)
Total payments	(1,094,649)	(966,331)
Total unpaid claims and adjustment expenses at end of year	**$ 131,474**	**$ 90,960**

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, 2021	September 30, 2020
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 1,998	$ 2,333
Provision for claims	11	(192)
Total payments	(223)	(143)
Reported claims payable and estimated claims payable incurred but not reported at end of year	**$ 1,786**	**$ 1,998**

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, 2021, net position of the plan totaled $2,620,758,000.

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, 2021, net position of the plan totaled $1,408,857,000.

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	$10,215,204	$6,335,362	$ 3,879,842	$ 0	$ 615,537	$ 18,905	$328,502
Business-type Activities	254,138	158,990	96,443	1,295	15,247	1,014	8,121
Totals Primary Government	**$10,469,342**	**$6,494,352**	**$ 3,976,285**	**$ 1,295**	**$ 630,784**	**$ 19,919**	**336,623**
Component Units	**$15,040,915**	**$10,172,53**	**$ 4,872,357**	**$ 3,973**	**$1,116,073**	**$ 201,067**	**$492,556**

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, 2020, membership consisted of:

ERS Membership

Group	State Employees	State Police	Total
Retirees and beneficiaries currently receiving benefits	24,418	943	25,361
Post-DROP Retired Members Still in Active Service	237	—	237
Vested Inactive Members	1,192	27	1,219
Non-vested inactive members	24,453	29	24,482
Active members	27,956	826	28,782
Total	**78,256**	**1,825**	**80,081**

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, 2020, membership consisted of:

JRF Membership

Group	State Employees
Retirees and beneficiaries currently receiving benefits	456
Terminated employees entitled to but not yet receiving benefits	16
Non-vested inactive members	25
Active members	365
Total	**862**

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, 2021. 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, 2021, the TRS, ERS and JRF owned debt and equity securities of The Goldman Sachs Group, Inc. that represented 7.05%, 6.03%, and 5.30% or more of their total investments, respectively.

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 2021, the required employer contribution rate was 12.36 percent for Tier 1 and 11.22 percent for Tier 2. Total employer contributions for fiscal year 2021 were $15,812,000 for the primary government ($15,450,000 for governmental activities and $362,000 for business-type activities), and $334,362,000 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, 2020 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, 2021, 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	1.90 %	1.78 %	0.12 %
Business-type Activities	0.04	0.04	—
Totals Primary Government	**1.94 %**	**1.82 %**	**0.12 %**
Component Units	**38.88 %**	**39.90 %**	**(1.02) %**

For the year ended September 30, 2021, the primary government recognized pension expense of $24,402,000 (governmental-type activities - $23,872,000 and business-type activities - $530,000) and component units recognized a pension expense of $488,023,000.

As of September 30, 2021 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	$ 17,431	$ 362	$ 17,793	$ 357,170
Differences between expected and actual experience	11,616	241	11,857	238,012
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,845	353	11,198	121,794
Change in Assumptions	2,441	51	2,492	50,019
Employer contributions subsequent to the measurement date	15,450	344	15,794	334,362
Total Deferred Outflows of Resources	**$ 57,783**	**$ 1,351**	**$ 59,134**	**$ 1,101,357**
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 4,071	$ 85	$ 4,156	$ 83,402
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,091	239	5,330	115,478
Total Deferred Inflows of Resources	**$ 9,162**	**$ 324**	**$ 9,486**	**$ 198,880**

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
2022	$ 6,341	$ 131	$ 108,609
2023	10,522	217	180,212
2024	10,982	226	188,086
2025	5,325	110	91,207

Actuarial Assumptions

The actuarial assumptions used in the actuarial valuation as of September 30, 2019, 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, 2019, was prepared based on an assumed investment rate of return of 7.70%. Subsequent to the valuation, a five year experience study for the period October 1, 2015 through September 30, 2020, was completed and approved by the Board of Trustees. The five year experience study changed the assumed rate of return from 7.70% to 7.45%.

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 investment expense only

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 %**	

*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	$ 313,163	$ 234,718	$ 168,344
Business-type Activities	6,510	4,879	3,499
Total Primary Government	**$ 319,673**	**$ 239,597**	**$ 171,843**
Component Units	**$ 6,416,593**	**$ 4,809,283**	**$ 3,449,313**

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 2021, the required employer contribution rate was 40.40 percent. Total employer contributions for fiscal year 2021 were $18,238,000.

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, 2020 and the total pension liability used to calculate the net pension liability (NPL) was determined by an actuarial valuation as of September 30, 2019. 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 $11,932,000 and grant expense for non-employer support provided to counties of $1,737,000.

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
	$ 139,043	$ 23,605	$ 162,648
Proportionate Share - Current Year	85.49 %	14.51 %	
Proportionate Share - Prior Year	85.64	14.36	
Change in Proportionate Share	**(0.15) %**	**0.15 %**	

* 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	$ 10,448	$ 4,651
Net difference between projected and actual earnings on pension plan investments	3,540	—
Change In Assumptions	1,039	—
Employer contributions subsequent to the measurement date	18,238	—
Total Primary Government	**$ 33,265**	**$ 4,651**

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
2022	$ (157)	$ (26)
2023	2,861	486
2024	4,661	791
2025	1,505	255

Actuarial Assumptions

The actuarial assumptions used in the actuarial valuation as of September 30, 2019, 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	3.25-3.5%, 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%)
$205,529	$162,648	$125,464

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 2021, the required employer contribution rate for regular state employees was 14.64% for Tier 1 employees and 14.24% Tier 2 employees. For fiscal year 2021, the required employer contribution rate for State Policemen was 51.75% for Tier 1employees and 42.89% for Tier 2 employees. Total employer contributions for fiscal year 2021 were $234,878,000 for the primary government ($228,688,000 for governmental activities, $6,190,000 for business-type activities), and $1,272,000 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2019 rolled forward to September 30, 2020 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, 2019	$ 8,180,756	$ 5,132,719	$ 3,048,037
Changes for the year:			
Service costs	119,138	—	119,138
Interest	605,429	—	605,429
Change in Assumptions	—	—	—
Difference in expected and actual experience	137,745	—	137,745
Contributions - employer	—	244,566	(244,566)
Contributions - employee	—	110,351	(110,351)
Net investment income	—	284,938	(284,938)
Change in proportion and differences between employer contributions and proportionate share of contributions	(1,726)	—	(1,726)
Benefit payments, including refunds of employee contributions	(609,028)	(609,028)	—
Administrative expense	—	(15,866)	15,866
Transfers among employees	3,747	3,747	—
Net changes	255,305	18,708	236,597
Balance at September 30, 2020	**$ 8,436,061**	**$ 5,151,427**	**$ 3,284,634**

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, 2019	$ 206,832	$ 125,069	$ 81,763
Changes for the year:			
Service costs	3,269	—	3,269
Interest	16,550	—	16,550
Change in Assumptions	—	—	—
Difference in expected and actual experience	3,815	—	3,815
Contributions - employer	—	6,507	(6,507)
Contributions - employee	—	3,132	(3,132)
Net investment income	—	7,873	(7,873)
Change in proportion and differences between employer contributions and proportionate share of contributions	2,803	—	2,803
Benefit payments, including refunds of employee contributions	(16,673)	(16,673)	—
Administrative expense	—	(470)	470
Transfers among employees	1	1	—
Net changes	9,765	370	9,395
Balance at September 30, 2020	**$ 216,597**	**$ 125,439**	**$ 91,158**

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, 2019	$ 8,387,588	$ 5,257,788	$ 3,129,800
Changes for the year:			
Service costs	122,407	—	122,407
Interest	621,979	—	621,979
Change in Assumptions	—	—	—
Difference in expected and actual experience	141,560	—	141,560
Contributions - employer	—	251,073	(251,073)
Contributions - employee	—	113,483	(113,483)
Net investment income	—	292,811	(292,811)
Change in proportion and differences between employer contributions and proportionate share of contributions	1,077	—	1,077
Benefit payments, including refunds of employee contributions	(625,701)	(625,701)	—
Administrative expense	—	(16,336)	16,336
Transfers among employees	3,748	3,748	—
Net changes	265,070	19,078	245,992
Balance at September 30, 2020	**$ 8,652,658**	**$ 5,276,866**	**$ 3,375,792**

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, 2019	$ 51,987	$ 34,226	$ 17,761
Changes for the year:			
Service costs	710	—	710
Interest	3,595	—	3,595
Change in Assumptions	—	—	—
Difference in expected and actual experience	829	—	829
Contributions - employer	—	1,414	(1,414)
Contributions - employee	—	680	(680)
Net investment income	—	1,710	(1,710)
Change in proportion and differences between employer contributions and proportionate share of contributions	(719)	—	(719)
Benefit payments, including refunds of employee contributions	(3,622)	(3,622)	—
Administrative expense	—	(102)	102
Transfers among employees	—	—	—
Net changes	793	80	713
Balance at September 30, 2020	**$ 52,780**	**$ 34,306**	**$ 18,474**

For the year ended September 30, 2021, the primary government recognized pension expense of $280,778,000 (governmental-type activities - $273,507,000 and business-type activities - $7,271,000) and component units recognized a pension expense of $1,579,000.

As of September 30, 2021, 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	$ 159,900	$ 4,562	$ 164,462	$ 924
Differences between expected and actual experience	98,615	2,816	101,431	571
Change in Assumptions	5,211	149	5,360	30
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,211	10	1,221	48
Employer contributions subsequent to the measurement date	228,688	6,190	234,878	1,272
Total Deferred Outflows of Resources	**$ 493,625**	**$ 13,727**	**$ 507,352**	**$ 2,845**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 0	$ 0	$ 0	$ 0
Differences between expected and actual experience	2,353	68	2,421	14
Changes in proportion and differences between Employer contributions and proportionate share of contributions	251	270	521	738
Total Deferred Inflows of Resources	**$ 2,604**	**$ 338**	**$ 2,942**	**$ 752**

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
2022	$52,724	$1,449	$54,173	$165
2023	97,143	2,669	99,812	304
2024	92,607	2,536	95,143	289
2025	19,860	545	20,405	62

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, 2019 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	$ 4,131,090	$ 3,284,634	$ 2,563,494
Business-type Activities	115,104	91,158	70,764
Totals - Primary Government	**$ 4,246,194**	**$ 3,375,792**	**$ 2,634,258**
Component Units	**$ 23,328**	**$ 18,475**	**$ 14,341**

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	$ 1,140,707	$ 196,267	$ 944,440	$ —	$ 251,808	$1,795,008	$ (385,666)
Business-type Activities	51,332	8,716	42,616	—	17,151	86,902	(18,231)
Totals Primary Govt	**$ 1,192,039**	**$ 204,983**	**$ 987,056**	**$ —**	**$ 268,959**	**$1,881,910**	**$ (403,897)**
Component Units	**$ 2,823,238**	**$ 553,721**	**$ 2,271,082**	**$ 1,565**	**$ 1,661,366**	**$1,557,450**	**$ (97,836)**

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. Plan members include State Employees, State Police, and Judges.

Number of Employees:

At September 30, 2020, the following employees were covered by the benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	23,152
Inactive Members Entitled to but Not Yet Receiving Benefit Payments	1,110
Active Members	31,439
Total	**55,701**

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	$	53,963
Business-type Activities		2,484
Total Primary Government	**$**	**56,447**
Component Units	**$**	**488**

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, 2021. 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, 2019
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	7.5 percent compounded annually, net of investment expense and including inflation.
Municipal Bond Index Rate at Measurement Date	2.25 percent
Municipal Bond Index Rate at Prior Measurement Date	3.00 percent
Year FNP is projected to be depleted	N/A
Single Equivalent Interest Rate at Measurement Date	7.50 percent
Single Equivalent Interest Rate at Prior Measurement Date	3.63 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	2027 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, 2019 valuation were based on a review of recent plan experience done concurrently with the September 30, 2019 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 (7.75% decreasing to 5.75% for pre-Medicare, 5.75% Known decreasing to 5.75 % for Medicare Eligible)
Governmental Activities	$ 798,444	$ 930,239	$ 1,090,065
Business-type Activities	34,898	40,659	47,645
Totals - Primary Government	**$ 833,342**	**$ 970,898**	**$ 1,137,710**
Component Units	**$ 10,825**	**$ 12,612**	**$ 14,779**

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 payment plus expenses. Also, due to a Board decision on September 16, 2020, an additional $1.2 million per year will be contributed on top of the base contribution.

Long-term Rate of Return

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

Municipal Bond Rate

The discount bond rate uses a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. The rate used for this purpose is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index, the Fidelity General Obligation AA 20-year Municipal Bond Index, and the S&P High Grade 20-year Municipal Bond Index. The rates as September 30, 2020. were 2.21%, 2.41%, and 2.14% for the Bond Buyer, Fidelity, and S&P Municipal Bond Indices, respectively. These three resulted in an averaged Municipal Bond Index Rate of 2.25%.

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 2118. The long-term rate will be used for all periods since assets are assumed to meet all future obligations.

Assumed Asset Allocation of the Plan's Portfolio

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

**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 (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
Governmental Activities	$ 1,063,643	$ 930,239	$ 818,027
Business-type Activities	46,490	40,659	35,754
Totals - Primary Government	**$ 1,110,133**	**$ 970,898**	**$ 853,781**
Component Units	**$ 14,421**	**$ 12,612**	**$ 11,091**

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 decrease in the Net OPEB Obligation (NOL) of $703,885,000 for the primary government ($672,155,000 for governmental-type activities and $31,730,000 for business-type activities) and $10,233,000 for component units. The primary reason for the decreases was a change in the single equivalent interest rate from 3.63% to 7.50%.

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.

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

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

Changes in the Net OPEB Liability

The Plan's net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2019 rolled forward to September 30, 2020 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, 2019	$ 1,791,166	$ 178,898	$ 1,612,268
Changes for the year:			
Service costs	52,816	0	52,816
Interest	64,063	—	64,063
Change in Assumptions	(672,155)	—	(672,155)
Difference in expected and actual experience	(66,811)	—	(66,811)
Contributions - employer	—	50,780	(50,780)
Net investment income	—	13,864	(13,864)
Change in proportion and differences between employer contributions and proportionate share of contributions	4,619	—	4,619
Benefit payments, including refunds of employee contributions *	(50,697)	(50,697)	—
Administrative expense	—	(82)	82
Transfers among employees	0	0	0
Net changes	(668,165)	13,865	(682,030)
Balance at September 30, 2020	**$ 1,123,001**	**$ 192,763**	**$ 930,238**

*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, 2019	$ 83,688	$ 7,579	$ 76,109
Changes for the year:			
Service costs	2,493	0	2,493
Interest	3,024	—	3,024
Change in Assumptions	(31,730)	—	(31,730)
Difference in expected and actual experience	(3,154)	—	(3,154)
Contributions - employer	—	2,397	(2,397)
Net investment income	—	654	(654)
Change in proportion and differences between employer contributions and proportionate share of contributions	(3,036)	—	(3,036)
Benefit payments, including refunds of employee contributions*	(2,393)	(2,393)	—
Administrative expense	—	(4)	4
Net changes	(34,796)	654	(35,450)
Balance at September 30, 2020	**$ 48,892**	**$ 8,233**	**$ 40,659**

*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, 2019	$ 1,874,854	$ 186,477	$ 1,688,377
Changes for the year:			
Service costs	55,309	0	55,309
Interest	67,087	—	67,087
Change in Assumptions	(703,885)	—	(703,885)
Difference in expected and actual experience	(69,965)	—	(69,965)
Contributions - employer	—	53,177	(53,177)
Net investment income	—	14,518	(14,518)
Change in proportion and differences between employer contributions and proportionate share of contributions	1,583	—	1,583
Benefit payments, including refunds of employee contributions *	(53,090)	(53,090)	—
Administrative expense	—	(86)	86
Net changes	(702,961)	14,519	(717,480)
Balance at September 30, 2020	**$ 1,171,893**	**$ 200,996**	**$ 970,897**

*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, 2019	$ 27,214	$ 2,668	$ 24,546
Changes for the year:			
Service costs	804	0	804
Interest	975	—	975
Change in Assumptions	(10,233)	—	(10,233)
Difference in expected and actual experience	(1,017)	—	(1,017)
Contributions - employer	—	773	(773)
Net investment income	—	211	(211)
Change in proportion and differences between employer contributions and proportionate share of contributions	(1,480)	—	(1,480)
Benefit payments, including refunds of employee contributions *	(772)	(772)	—
Administrative expense	—	(1)	1
Net changes	(11,723)	211	(11,934)
Balance at September 30, 2020	**$ 15,491**	**$ 2,879**	**$ 12,612**

*Benefit payments are net of member contributions

OPEB Expense
For the year ended September 30, 2021, the primary government recognized OPEB expense of $(403,440,000) (governmental-type activities - $(385,254,000) and business-type activities - $(18,186,000) and component units recognized an OPEB expense of $(5,865,000).

Deferred Outflows and Inflows of Resources
As of September 30, 2021, 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	$ 1,123	$ 49	$ 1,172	$ 15
Differences between expected and actual experience	—	—	—	
Change in Assumptions	92,115	4,026	96,141	1,249
Changes in proportion and differences between Employer contributions and proportionate share of contributions	97,239	9,695	106,934	9,478
Employer contributions subsequent to the measurement date	53,963	2,484	56,447	488
Total Deferred Outflows of Resources	**$ 244,440**	**$ 16,254**	**$ 260,694**	**$ 11,230**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on OPEB plan investments	$ 0	$ 0	$ 0	$ 0
Differences between expected and actual experience	918,315	40,138	958,453	12,450
Change in Assumptions	771,158	33,706	804,864	10,455
Changes in proportion and differences between Employer contributions and proportionate share of contributions	95,189	11,769	106,958	10,337
Total Deferred Inflows of Resources	**$1,784,662**	**$ 85,613**	**$ 1,870,275**	**$ 33,242**

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
2022	$ (490,682)	$ (22,113)	$ (512,795)	$ (6,925)
2023	(448,444)	(20,209)	(468,653)	(6,329)
2024	(385,743)	(17,384)	(403,127)	(5,444)
2025	(223,395)	(10,067)	(233,462)	(3,153)
2026	(45,921)	(2,069)	(47,990)	(648)

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, 2021. 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, 2019
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	2.25 percent
Municipal Bond Index Rate at Prior Measurement Date	3.00 percent
Year FNP is projected to be depleted	2040
Single Equivalent Interest Rate at Measurement Date	3.05 percent
Single Equivalent Interest Rate at Prior Measurement Date	5.50 percent
Healthcare Cost Trend Rates:	
Pre-Medicare Eligible	6.75 percent
Medicare Eligible	**
Ultimate Trend Rates:	
Pre-Medicare Eligible	4.75 percent in 2027
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, 2019 valuation.

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

Alabama Retired Education Employees' Health Care Trust
Net OPEB Liability
Sensitivity to Changes in the Health Care Trend Rates
(Amount in Thousands)

	1% Decrease (5.75% decreasing to 3.75% 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 (7.75% decreasing to 5.75% for pre-Medicare, Known decreasing to 5.75% for Medicare Eligible)
Governmental Activities	$ 11,226	$ 14,201	$ 18,074
Business-type Activities	1,547	1,957	2,490
Totals - Primary Government	**$ 12,773**	**$ 16,158**	**$ 20,564**
Component Units	**$ 1,752,318**	**$ 2,216,712**	**$ 2,821,195**

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. 24.245% of the employer contributions are used to assist in funding retiree benefit payments in fiscal year 2019. 14.802% of employer contributions were used to assist in funding retiree benefits in 2020. 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, 2020, were 2.21%, 2.41%, and 2.14% for the Bond Buyer, Fidelity, and S&P Municipal Bond Indices, respectively. These three rates resulted an averaged Municipal Bond Index Rate of 2.25%. For the purpose of this report, we have determined that a discount rate of 3.05% as of September 30, 2020, 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, 2020.

Periods of Projected Benefit Payments
Projected future benefit payments for all current plan members were projected through 2118. The long-term rate will be used until the assets are expected to be depleted in 2040, 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 (2.05%)	Current Rate (3.05%)	1% Increase (4.05%)
Governmental Activities	$ 17,419	$ 14,201	$ 11,646
Business-type Activities	2,400	1,957	1,605
Totals - Primary Government	**$ 19,819**	**$ 16,158**	**$ 13,251**
Component Units	**$ 2,718,912**	**$ 2,216,712**	**$ 1,817,856**

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, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2019 rolled forward to September 30, 2020 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	$ 14,201	0.22 %	0.25 %	(0.03) %
Business-type Activities	1,957	0.03	0.03	—
Totals - Primary Government	**$ 16,158**	**0.25 %**	**0.28 %**	**(0.03) %**
Component Units	**$ 2,216,712**	**34.16 %**	**25.70 %**	**8.46 %**

The net OPEB liability was measured as of September 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2019. 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 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. Reported for the fiscal year ended September 30, 2020.

The increase in NOL for the current primarily resulted from a decrease in the single equivalent rate from the prior measurement date to the current year measurement date from 5.50% to 3.05%.

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 - $(412,000) and business-type activities - $(45,000) and component units recognized OPEB expense of $51,845,000.

Deferred Outflows and Inflows

As of September 30, 2021 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				
Differences between expected and actual experience	$ 360	$ 50	$ 410	$ 56,214
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,706	110	1,816	759,712
Change in Assumptions	4,960	683	5,643	774,280
Employer contributions subsequent to the measurement date	340	53	393	57,677
Total Deferred Outflows of Resources	**$ 7,366**	**$ 896**	**$ 8,262**	**$ 1,647,883**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on OPEB plan investments	$ 1	$ 0	$ 1	$ 93
Differences between expected and actual experience	5,106	703	5,809	796,961
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,601	222	2,823	303,558
Change in Assumptions	2,637	363	3,000	411,623
Total Deferred Inflows of Resources	**$ 10,345**	**$ 1,288**	**$ 11,633**	**$ 1,512,235**

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
2022	$(1,363)	$(183)	$(1,546)	$32,037
2023	(1,334)	(179)	(1,513)	31,341
2024	(983)	(132)	(1,115)	23,092
2025	(1,087)	(146)	(1,233)	25,535
2026	795	107	902	(18,688)
Thereafter	653	88	741	(15,346)

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. 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 has been appealed to the Alabama Supreme Court and remains pending.

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NOTE 14 - SUBSEQUENT EVENTS

The Alabama Housing Finance Authority (component unit), awarded Federal Funds totaling $2,150,000 under the HOME Program.

Subsequent to the fiscal year end, the State issued the following bonds:

Alabama Revolving Loan Fund Authority - Issued Series 2021 bonds (direct borrowing) in the amount of $11,347,000 for the purpose of refunding Series 2010 bonds.

Alabama Federal Aid Highway Authority (FAHFA) - Issued Series 2021A (principal of $20,440,000 and premiums of $6,609,000) and Series 2021B (principal of $1,496,170,000) for the purpose of refunding all outstanding FAHFA bonds.

Alabama Space Science Exhibit Commission (component unit) - Issued Series 2021 bonds in the amount of $14,000,000,

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

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - All Budgeted Funds
For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	GENERAL FUND			
	Budgeted Amounts		Actual (Budgetary	Variance with Final
	Original	Final	Basis)	Budget
REVENUES				
Taxes	$ 1,684,538	$ 1,778,988	$ 2,085,782	$ 306,794
Licenses, Permits and Fees	143,419	151,460	177,580	26,120
Fines, Forfeits, and Court Settlements	11,527	12,173	14,272	2,099
Investment Income	15,852	16,741	19,628	2,887
Federal Grants and Reimbursements	—	—	—	—
Other Revenues	292	309	362	53
Total Revenues	**1,855,628**	**1,959,671**	**2,297,624**	**337,953**
EXPENDITURES				
Administrative Office of Courts	151,574	151,574	151,566	8
Agriculture and Industries	14,587	14,753	14,752	1
Alabama Community College System	—	—	—	—
Attorney General	12,370	12,459	12,459	—
Auditor	1,009	1,009	823	186
Commission on Higher Education	—	—	—	—
Corrections	584,806	574,361	536,498	37,863
Economic and Community Affairs	31,384	31,505	14,431	17,074
Education	—	—	—	—
Emergency Management	20,167	20,167	20,077	90
Examiners of Public Accounts	8,481	8,481	8,481	—
Finance	7,010	15,925	3,009	12,916
Governor	4,888	6,465	5,017	1,448
Human Resources	—	—	—	—
Labor	1,767	1,767	800	967
Law Enforcement	—	—	—	—
Legislature	24,802	25,218	22,145	3,073
Medicaid	870,225	870,225	654,472	215,753
Mental Health	—	—	—	—
Public Health	48,654	58,183	55,884	2,299
Public Service Commission	—	—	—	—
Rehabilitation Services	—	—	—	—
Revenue	113	113	31	82
Secretary of State	2,136	2,136	651	1,485
Transportation	—	—	—	—
Treasurer	—	—	—	—
Youth Services	—	—	—	—
Universities and Training Institutes	—	—	—	—
Other	286,082	308,184	264,020	44,164
Total Expenditures	**2,070,055**	**2,102,525**	**1,765,116**	**337,409**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(214,427)**	**(142,854)**	**532,508**	**675,362**
OTHER FINANCING SOURCES (USES)				
Carryover of funds from prior year	496,241	496,241	496,241	0
Transfers In	211,678	223,546	262,098	38,552
Transfers Out	(493,492)	(576,937)	(576,937)	—
Insurance Recovery Proceeds	—	4	4	—
Total Other Financing Sources (Uses)	**214,427**	**142,854**	**181,406**	**38,552**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**$ 0**	**$ 0**	**713,914**	**$ 713,914**

EDUCATION TRUST FUND				EARMARKED FUNDS			
Budgeted Amounts		Actual (Budgetary	Variance with Final	Budgeted Amounts		Actual (Budgetary	Variance with Final
Original	Final	Basis)	Budget	Original	Final	Basis)	Budget
$ 7,157,524	$ 7,399,297	$ 8,643,148	$ 1,243,851	$ 1,371,510	$ 2,102,053	$ 1,858,896	$ (243,157)
105	109	127	18	507,178	777,329	687,411	(89,918)
—	—	—	—	48,411	74,198	65,615	(8,583)
—	—	—	—	2,279	3,493	3,089	(404)
—	—	—	—	10,210,039	15,648,471	13,838,319	(1,810,152)
360	372	435	63	694,413	1,064,295	941,182	(123,113)
7,157,989	**7,399,778**	**8,643,710**	**1,243,932**	**12,833,830**	**19,669,839**	**17,394,512**	**(2,275,327)**
0	750	749	1	47,009	51,955	40,254	11,701
—	—	—	—	45,007	62,741	46,829	15,912
428,119	430,664	430,664	—	—	29,201	28,391	810
—	—	—	—	12,519	28,574	12,159	16,415
—	—	—	—	—	—	—	—
38,664	40,126	39,149	977	1,161	2,486	1,580	906
—	—	—	—	84,113	124,706	102,880	21,826
1,000	1,000	160	840	322,260	501,572	261,782	239,790
4,713,781	4,733,702	4,698,608	35,094	1,607,570	4,407,557	1,901,536	2,506,021
—		—	—	65,690	140,902	130,865	10,037
8,886	9,460	9,460	—	2,808	3,475	1,514	1,961
450	483	474	9	124,799	130,360	87,793	42,567
—	—	—	—	127	656	—	656
—	—	—	—	2,200,828	3,335,414	3,118,334	217,080
—	—	—	—	138,543	189,022	113,712	75,310
—	—	—	—	246,119	258,930	209,553	49,377
3,608	4,871	3,108	1,763	—	705	705	—
—	—	—	—	6,886,701	7,307,712	7,053,809	253,903
—	—	—	—	1,200,277	1,387,279	1,116,577	270,702
19,506	20,860	19,964	896	846,539	987,865	728,259	259,606
—	—	—	—	23,837	23,837	18,972	4,865
48,477	48,477	48,474	3	157,652	157,864	118,178	39,686
—	—	—	—	192,053	210,652	180,435	30,217
—	—	—	—	17,883	20,537	13,620	6,917
—	—	—	—	1,664,475	2,964,449	1,677,494	1,286,955
—	—	—	—	4,679	5,421	4,167	1,254
—	—	—	—	106,227	108,426	81,104	27,322
1,319,952	1,326,999	1,326,999	—	—	49,210	49,210	—
410,376	426,946	374,331	52,615	1,809,616	3,364,646	2,732,052	632,594
6,992,819	**7,044,338**	**6,952,140**	**92,198**	**17,808,492**	**25,856,154**	**19,831,764**	**6,024,390**
165,170	**355,440**	**1,691,570**	**1,336,130**	**(4,974,662)**	**(6,186,315)**	**(2,437,252)**	**3,749,063**
374,941	374,941	374,941	0	2,717,374	2,717,374	2,717,374	0
85	88	103	15	2,257,288	3,459,645	3,059,447	(400,198)
(540,196)	(730,471)	(730,471)	—	—	—	—	—
—	2	—	(2)	—	9,296	9,296	—
(165,170)	**(355,440)**	**(355,427)**	**13**	**4,974,662**	**6,186,315**	**5,786,117**	**(400,198)**
$ 0	**$ 0**	**1,336,143**	**$ 1,336,143**	**$ 0**	**$ 0**	**3,348,865**	**$ 3,348,865**

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - Budget-to-GAAP Reconciliation
For the Fiscal Year Ended September 30, 2021

(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	**$ 713,914**	**$ 1,336,143**	**$ 3,348,865**		
Reconciliation to GAAP Basis:					
Perspective Differences:					
Reclassification of budgetary funds to GAAP financial statement fund types			(3,348,865)	$ 1,707	$ 201,233
Basis Differences:					
Accruals of revenues and other revenue adjustments	56,142	33,906		4,292	62,627
To remove prior year funds carried over in budget	(496,241)	(374,941)		(1,885)	(222,776)
Accruals of expenditures and capitalization of assets	(42,977)	(108)		(57)	(75,966)
To remove encumbrances recognized as expenditures	6,063	9,742		99	4,839
To recognize prior budget year expenditures/expenses	(15,983)	(421)		(70)	(31)
To remove budget expenditures/expenses not accrued as liabilities	860	(993)		—	(2)
Entity Differences:					
Add net operating results for funds not budgeted				479,659	—
Net Change in Fund Balances/Net Position - GAAP Basis	**$ 221,778**	**$ 1,003,328**	**$ 0**	**$ 483,745**	**$ (30,076)**

FINANCIAL STATEMENT CLASSIFICATION

Public Road and Bridge Fund	Public Welfare Trust Fund	ARPA Coronavirus State Fiscal Recovery	Nonmajor Governmental Funds	Enterprise Funds	Internal Service Funds	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Component Units
$ 134,708	$ 9,069	$ 1,060,140	$ 1,887,271	$ (57,477)	$ 71,248	$ 39,982	$ 325	$ 659
(28,854)	22,462	(1,060,140)	1,103,118	613	971	138,539	(409)	(296)
(66,008)	(43,672)	—	(2,253,253)	(13,341)	(66,823)	(43,929)	(213)	(5,474)
275	(2,927)	—	(37,060)	86,976	12,228	(67,394)	794	6,468
21,042	7,031	—	47,831	1,330	2,832	343	7	396
(4,456)	117	—	(46,359)	(2,117)	(460)	—	—	(29)
(1,748)	722	—	7,086	—	925	—	(2)	(34)
12,423	2,269	—	1,495,448	100,153	7,339	7,612,471	386,938	2,589,209
$ 67,382	**$ (4,929)**	**$ 0**	**$ 2,204,082**	**$ 116,137**	**$ 28,260**	**$ 7,680,012**	**$ 387,440**	**$ 2,590,899**

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 2021, approximately $32 million of supplemental appropriations were distributed from the General Fund. The Department of Pardons and Paroles, the Department of Public Health and the Office of Information Technology received supplemental appropriations in the amounts of $14 million, $9 million, and $5 million, respectively. Approximately $95 million of conditional and other appropriations were distributed to various agencies from the General Fund. The Department of Mental Health, The General Fund Budget Reserve and the Department of Finance received conditional appropriations in the amounts of $46 million, $22 million and $9 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 2021, approximately $137 million of supplemental appropriations were distributed from the Education Trust Fund (ETF). The Advancement and Technology Fund and the Department of Education received supplemental appropriations in the amounts of $65 million, $53 million respectively. Also, $75 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 $8 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 2021. The General Fund and the Education Trust Fund have paid back all of its withdrawals. The available balance during FY 21 for the Education Trust Fund Rainy Day Account was $505 million. The General Fund Rainy Day Account available balance during FY 21 was $264 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 2021 the balance in the ETF Budget Stabilization Fund was $448 million.

Encumbrance Accounting

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is used as purchase orders are issued to ensure that purchase orders plus expenditures do not exceed allotment balances. At fiscal year end this control becomes stricter, as purchase orders plus any other obligations or accounts payable incurred against fiscal year appropriations may not exceed allotment balances.

Encumbrances are reported in the year the orders are placed for budgetary purposes in the Budgetary Comparison Schedule. Encumbrances are reported in the year the goods and services are received for GAAP basis financial statements.

Lapsing of Appropriations

All non-capital outlay appropriation balances not reserved by encumbrances or accounts payable lapse at September 30 of each fiscal year. Furthermore, any non-capital outlay appropriation balance not reserved by encumbrances lapses at November 30 following each fiscal year. Encumbrances remain valid for a period of one year following the end of the fiscal year. Balances of encumbrances are reported on the Budgetary Comparison Schedule as expenditures. Capital outlay appropriations for the purchase of land, the construction of buildings, or for the maintenance of roads and bridges of the state highway system continue until the completion of the project.

Budgetary Basis of Accounting and Fund Structure

The State budgets and operates primarily on the budgetary basis which approximates the cash basis with certain material exceptions. During the fiscal year, encumbrances, which represent obligations against current fiscal year appropriations, are accrued. At year end, fund balances are reserved to accrue expenditures for those outstanding encumbrances and estimated accounts payable. In compliance with Amendment 26 to the *Constitution of Alabama of 1901*, the total reservation may not exceed the cash on hand in the State Treasury. Therefore, at year end, cash always equals or exceeds obligations (encumbrances and estimated accounts payable). The Budgetary Comparison Schedule (Non-GAAP Basis) presents comparisons of the adopted budget with actual data on a budgetary basis. The budget excludes funds for all entities operating outside the State Treasury, certain distributive accounts such as those for making distributions to local governments, and most debt service accounts. Since the accounting principles used in the State's budgetary basis of accounting differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of the differences is presented on the schedule. Governmental Accounting Standards Board (GASB) Statement No. 41 requires that budgetary comparison schedules be presented as RSI based on the fund, organization, or program structure that the government uses for its legally adopted budget for a government with significant budgetary perspective differences that result in the government's not being able to present budgetary comparisons for the general fund and each major special revenue fund. The budgetary fund structure for the General Fund group and the Education Trust Fund group is essentially the same as the GAAP fund structure. The Earmarked Fund group does not correspond to a major GAAP fund and these perspective differences are included in the Budget-to-GAAP Reconciliation. The budgets of some major funds are spread throughout various agencies and programs in the Earmarked Fund group. A Detail Schedule of Budget and Actual Expenditures appears in the Governmental Funds subsection of the Combining and Individual Fund Statements and Schedules Section of the ACFR. This schedule provides detailed information at the legal level of control for each individual appropriation item contained in the budget for all budgetary fund groups.

REQUIRED SUPPLEMENTARY INFORMATION

Ten Year Loss Development Information for State Insurance Fund

For the Fiscal Year Ended September 30, 2021

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)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1	Premiums and investment revenue:										
	Earned	36,732	40,758	44,343	46,049	55,381	60,037	53,966	58,040	63,901	76,788
	Ceded	20,834	26,115	24,153	22,469	21,171	20,273	22,480	29,983	40,429	47,069
	Net Earned	15,898	14,643	20,190	23,580	34,210	39,764	31,486	28,057	23,472	29,719
2	Unallocated Expenses	2,774	3,090	3,375	3,710	3,494	3,270	3,693	3,668	4,057	4,872
3	Estimated losses and expenses, end of accident year:										
	Incurred	38,861	33,467	11,500	8,300	16,450	19,792	126,564	20,737	35,259	42,063
	Ceded	28,359	2,757	—	—	4,550	6,969	100,664	1,763	1,259	34,463
	Net incurred	10,502	30,710	11,500	8,300	11,900	12,823	25,900	18,974	34,000	7,600
4	Net paid (cumulative) as of:										
	End of Accident Year	3,842	16,000	3,823	2,857	6,316	5,240	14,493	5,498	10,921	1,865
	One Year Later	22,703	26,555	8,188	6,477	9,680	10,671	23,021	11,670	9,572	
	Two Years Later	4,351	29,088	8,275	7,000	10,361	12,490	23,081	11,620		
	Three Years Later	11,370	29,611	8,446	7,692	10,650	12,906	23,045			
	Four Years Later	11,369	29,609	8,446	7,692	10,650	12,864				
	Five Years Later	11,369	29,608	8,446	7,692	10,650					
	Six Years Later	11,369	29,606	8,446	7,692						
	Seven Years Later	11,369	29,604	8,446							
	Eight Years Later	11,369	29,602								
	Nine Years Later	11,368									
5	Reestimated ceded losses and expenses	18,662	—	—	—	3,148	3,280	98,016	10,718	46,631	34,463
6	Reestimated net incurred losses and expenses as of:										
	End of Accident Year	10,502	30,710	11,500	8,300	11,900	12,823	25,900	18,974	34,000	7,600
	One Year Later	32,435	29,711	9,000	7,700	11,800	12,733	25,300	17,700	14,234	
	Two Years Later	11,045	29,688	8,643	7,700	11,000	12,721	23,127	13,773		
	Three Years Later	11,370	29,611	8,446	7,692	10,650	12,951	23,102			
	Four Years Later	11,369	29,609	8,446	7,692	10,650	12,864				
	Five Years Later	11,369	29,607	8,446	7,692	10,950					
	Six Years Later	11,369	29,606	8,446	7,692						
	Seven Years Later	11,369	29,604	8,446							
	Eight Years Later	11,369	29,602								
	Nine Years Later	11,368									
7	Increase (decrease) in estimated net incurred losses and expenses from end of accident year	866	(1,108)	(3,054)	(608)	(1,250)	42	(2,798)	(5,202)	(19,766)	0

(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
2020	40.82 %	$ 5,048,880	$ 2,880,506	175.28 %	67.72 %
2019	39.87	4,407,835	2,799,485	157.45	69.85
2018	41.06	4,082,818	2,661,584	153.40	72.29
2017	40.86	4,016,090	2,606,833	154.06	71.50
2016	41.00	4,438,794	2,581,488	171.95	67.93
2015	40.73	4,262,429	2,532,066	168.34	67.51
2014	40.86	3,710,637	2,612,755	142.02	71.01

Information is presented prospectively beginning in 2014.

Information was determined and is presented based on information as of the measurement date one year prior to the ACFR fiscal year end.

Statutorily Required Employer Contributions

Fiscal Year	Contribution Amount	% Contributed	Covered Payroll	% of Covered Payroll
2021	$350,156	100%	$2,916,149	12.01%
2020	349,244	100%	2,880,506	12.12
2019	340,231	100%	2,799,485	12.15
2018	319,144	100%	2,661,584	11.99
2017	307,935	100%	2,606,833	11.81
2016	304,670	100%	2,581,488	11.80
2015	295,148	100%	2,532,066	11.66

Statute requires employers to contribute at the actuarially determined rate.

Information is presented prospectively beginning in 2015.

Changes in the actuarial assumptions significantly affect the identification of trends in the amounts reported in the Ten Year Trend Information.

Changes of benefit terms

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, 2021

(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
2020	100%	85.49%	$162,647	$47,495	342.45%	66.20%
2019	100%	85.64	150,909	43,502	346.90	67.44
2018	100%	84.93	144,724	42,684	339.06	68.68
2017	100%	84.86	154,349	42,743	361.11	66.22
2016	100%	84.89	168,961	42,601	396.61	62.54
2015	100%	84.98	160,330	41,617	385.25	62.20
2014	100%	85.04	145,093	42,699	339.80	65.46

(1) The State is responsible for funding the entire NPL.

Information is presented prospectively beginning in 2014.

Information was determined and is presented based on information as of the measurement date one year prior to the ACFR fiscal year end.

Statutorily Required Employer Contributions

Fiscal Year	Contribution Amount	% Contributed	Covered Payroll	% of Covered Payroll
2021	$18,238	100%	$47,495	38.40%
2020	18,099	100	47,442	38.15
2019	18,010	100	43,502	41.40
2018	17,112	100	42,684	40.09
2017	17,375	100	42,743	40.65
2016	17,458	100	42,601	40.98
2015	14,666	100	41,617	35.24

Statute requires employers to contribute at the actuarially determined rate.

Information is presented prospectively beginning in 2015.

The State is responsible for 100% of employer contributions.
Information is presented prospectively beginning in 2015.

Changes in the actuarial assumptions significantly affect the identification of trends in the amounts reported in the Ten Year Trend Information.

Changes of benefit terms

The member contribution rate was increased from 6.00% of salary to 8.25% of salary on October 1, 2011, and to 8.50% of salary on October 1, 2012. All justices and judges elected or appointed on or after November 8, 2016 are covered under a new benefit structure. In addition, circuit clerks and district attorneys elected or appointed on or after that date will also become members of the Fund and will be covered under the new structure.

Changes of assumptions

In 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.

(Amounts in Thousands)

Schedule of Changes in Net Pension Liability

Total Pension Liability	**2020**	**2019**	**2018**	**2017**	**2016**
Service Costs	$ 123,117	$ 118,582	$ 116,133	$ 115,249	$ 119,589
Interest	625,574	616,614	609,961	602,304	588,965
Change in Assumptions	—	—	38,231	—	203,894
Difference in Expected and Actual Experience	142,389	487	(17,240)	(57,055)	11,012
Change in proportion and differences between contributions and proportionate share of contributions	358	(380)	(443)	—	—
Benefit payments, including refunds of employee contributions	(629,323)	(611,120)	(610,485)	(588,299)	(596,794)
Transfers among employers	3,748	1,958	2,525	1,529	(871)
Net change in total pension liability	265,863	126,141	138,682	73,728	325,795
Total pension liability - beginning	8,439,575	8,313,434	8,174,752	8,101,024	7,775,229
Total pension liability - ending (a)	**$8,705,438**	**$8,439,575**	**$8,313,434**	**$8,174,752**	**$8,101,024**
Plan Fiduciary Net Position					
Contributions - employer	$ 252,487	$ 227,694	$ 196,080	$ 205,429	$ 206,854
Contributions - employee	114,163	107,817	101,103	99,278	103,187
Net investment income	294,521	136,116	474,828	615,292	467,280
Benefit payments, including refunds of employee contributions*	(629,323)	(611,120)	(610,485)	(588,299)	(596,794)
Administrative expenses	(16,438)	(15,734)	(13,683)	(14,347)	(12,748)
Transfers among employers	3,748	1,958	2,525	726	(871)
Net change in fiduciary plan net position	19,158	(153,269)	150,368	318,079	166,908
Plan fiduciary net position - beginning	5,292,014	5,445,283	5,294,915	4,976,836	4,809,928
Plan fiduciary net position - ending (b)	**$5,311,172**	**$5,292,014**	**$5,445,283**	**$5,294,915**	**$4,976,836**
Net pension liability - ending (a) - (b)	**$3,394,266**	**$3,147,561**	**$2,868,151**	**$2,879,837**	**$3,124,188**
Plan fiduciary net position as a percentage of the total pension liability	61.01 %	62.70 %	65.50 %	64.77 %	61.43 %
Covered payroll - measurement period	$1,495,250	$1,494,823	$1,324,433	$1,262,409	$1,295,085
Net pension liability as a % of covered payroll	227.00 %	210.56 %	216.56 %	228.12 %	241.23 %

Note that information was determined and presented as of the measurement date (one year prior to the ACFR fiscal year-end) and is presented prospectively beginning in 2014.

Actuarially Determined Employer Contributions

	2021	**2020**	**2019**	**2018**	**2017**
Amount	$ 236,150	$ 242,127	$ 217,585	$ 195,284	$ 191,906
% Contributed	100 %	100 %	100 %	100 %	100 %
Covered Payroll	$1,499,773	$ 1,495,250	$ 1,406,070	$ 1,324,433	$ 1,262,409
% of covered payroll	15.75 %	16.19 %	15.47 %	14.74 %	15.20 %

Information presented prospectively beginning in 2015.

(Amounts in Thousands)

2015	2014
$ 159,234	$ 115,716
587,703	579,810
—	—
(62,937)	—
—	—
(597,910)	(567,669)
19,137	—
105,227	127,857
7,670,002	7,542,145
$7,775,229	**$7,670,002**
$ 260,832	$ 161,114
100,676	100,391
58,073	556,028
(597,910)	(567,669)
(13,068)	—
6,241	24
(185,156)	249,888
4,995,084	4,745,196
$4,809,928	**$4,995,084**
$2,965,301	**$2,674,918**
61.86 %	65.12 %
$1,331,883	$ 1,280,583
222.64 %	208.88 %

2016	2015
$ 199,636	$ 185,110
100 %	100 %
$1,295,085	$1,331,883
15.41 %	13.90 %

Valuation Date: September 30, 2018

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	28.4 years
Asset valuation method	Five year smoothed fair value
Inflation	2.75%
Salary increases	3.25-5.00%, including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation.

(Amounts in Thousands)

Schedule of Changes in Net OPEB Liability

Total OPEB Liability	2020	2019	2018	2017
Service Costs	$ 56,113	$ 48,549	$ 92,000	$ 112,694
Interest	68,062	128,498	117,401	103,761
Change in Assumptions	(714,118)	155,046	(316,067)	(370,644)
Difference in Expected and Actual Experience	(70,982)	(1,416,277)	(53,041)	—
Change in proportion and differences between employer contributions and proportionate share of contributions	103	(496)	(822)	—
Benefit payments, including refunds of employee contributions	(53,862)	(73,986)	(79,799)	(91,641)
Net change in total OPEB liability	(714,684)	(1,158,666)	(240,328)	(245,830)
Total pension liability - beginning	1,902,068	3,060,734	3,301,062	3,546,892
Total OPEB liability - ending (a)	**$ 1,187,384**	**$ 1,902,068**	**$3,060,734**	**$3,301,062**
Plan Fiduciary Net Position				
Contributions - employer	$ 53,951	$ 74,067	$ 79,871	$ 92,063
Net investment income	14,729	6,614	15,755	17,749
Benefit payments, including refunds of employee contributions*	(53,862)	(73,986)	(79,799)	(91,641)
Administrative expenses	(87)	(89)	(72)	(414)
Net change in fiduciary plan net position	14,731	6,606	15,755	17,757
Plan fiduciary net position - beginning	189,144	182,538	166,783	149,026
Plan fiduciary net position - ending (b)	**$ 203,875**	**$ 189,144**	**$ 182,538**	**$ 166,783**
Net OPEB liability - ending (a) - (b)	**$ 983,509**	**$ 1,712,924**	**$2,878,196**	**$3,134,279**
Plan fiduciary net position as a percentage of the total OPEB liability	17.17 %	9.94 %	5.96 %	5.05 %
Covered payroll - measurement period	$ 1,659,882	$ 1,558,377	$1,470,777	$1,409,257
Net OPEB liability as a % of covered payroll	59.25 %	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 ACFR 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
2021	$107,959	$56,935	51,024	$1,661,839	3.43%
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.

On September 16, 2020, the board elected to contribute an additional $1.2 million per year in employer contributions in addition to the base contributions. Based on this change the FNP is not projected to be depleted and the long term discount rate of 7.50% will be used to calculate the NOL.

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. The change was considered in the financial report ending September 30, 2020.

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

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

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:	Entry Age Normal
Amortization Method:	Level Percent of Pay, open
Remaining Amortization Period:	30 Years
Asset Valuation Method:	Fair Value of Assets
Inflation:	2.75%
Healthcare Cost Trend Rate:	
Pre-Medicare Eligible	6.75%
Medicare Eligible	**
Ultimate Trend Rate	
Pre-Medicare Eligible	4.75% in 2027
Medicare Eligible	4.75% in 2024
Dental Trend Rate	4.50%
Investment Rate of Return:	5%, including inflation

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

(Amounts in Thousands)

OPEB Liability

Fiscal Year	Proportionate Share of Collective NOL* (%)	Proportionate Share of Collective NOL ($)	Covered Payroll	Collective Share of NOL as a % of Covered Payroll	OPEB Plan's FNP* as a % of TOL*
2020	34.41%	$2,232,870	$2,762,641	80.82%	19.80%
2019	25.95	979,075	2,690,709	36.39	28.14
2018	28.52	2,344,045	2,557,924	91.64	14.81
2017	30.24	2,245,990	2,502,728	89.74	15.37

*Net OPEB Liability (NOL), Fiduciary Net Position (FNP), Total OPEB Liability (TOL)

Information is presented prospectively beginning in 2017.

Information was determined and is presented as of the measurement date one year prior to the ACFR fiscal year-end.

Statutorily Required Employer Contributions

Fiscal Year	Statutorily Required Contribution	Contributions Recognized (%)	Covered Payroll	Contributions as % of Covered Payroll
2021	$58,070	100%	$2,801,578	2.07%
2020	68,818	100	2,762,641	2.49
2019	74,115	100	2,690,709	2.75
2018	74,182	100	2,557,924	2.90

Information is presented prospectively beginning in 2018.

Changes in actuarial assumptions
The change in the the Total OPEB Liability (TOL) occurred as a result of the following:

-Changes due to Experience including demographic changes such as retirements, terminations, disabilities, and deaths different from expected as well as claims costs different than expected resulted in an increase in TOL of $204,000 for the primary government ($179,000 for governmental-type activities and $25,000 for business-type activities) and $28,005,000 for component units.

-Changes in assumptions (primarily the discount rate from 5.5% to 3.05%) resulted in an increase in TOL for the primary government of $6,257,000 ($5,500,000 for government-type activities and and $757,000 for business-type activities) and an increase in TOL for component units of $858,437,000.

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 opeb liability. This change was considered in the financial report ending September 30, 2020.

In 2019, the anticipated rates of participation, spouse coverage, and tobacco use were adjusted to more closely reflect actual experience.

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 2021 include approximately 10,875 miles of state maintained highways and 5,407 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,					
	2021		2020		2019	
Category	**Miles**	**Rating**	**Miles**	**Rating**	**Miles**	**Rating**
Non-Interstate Non-National Highway System	6,691	79.40	6,694	79.46	6,713	82.82
Non-Interstate National Highway System	3,180	70.49	3,180	67.91	3,172	70.97
Interstate System	1,002	59.98	1,002	59.08	1,002	57.94
Total and Weighted Average Rating	**10,873**	**75.00**	**10,876**	**74.21**	**10,887**	**77.08**

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 "Fair" 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,					
	2021		2020		2019	
Category	**Structures**	**Rating**	**Structures**	**Rating**	**Structures**	**Rating**
Non-Interstate Non-National Highway System	2,327	6.56	2,337	6.60	2,329	6.62
Non-Interstate National Highway System	1,836	6.48	1,828	6.49	1,833	6.56
Interstate System	1,244	6.08	1,249	6.09	1,247	6.05
Total and Weighted Average Rating	**5,407**	**6.42**	**5,414**	**6.45**	**5,409**	**6.47**

Estimated and Actual Costs

For fiscal years 2021, 2020, 2019, 2018, and 2017, the State estimated it would need to spend $ 426.2, $413.9, $382.8, $357.8, and $361.8, 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 $450,822,000 for roadway preservation and $193,627,000 for bridge preservation in fiscal year 2021. 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 road preservation and $492,721,000 for bridge preservation in fiscal year 2018. In fiscal year 2017, the State spent $372,860,000 for road preservation and $286,279,000 for bridge preservation. In the next fiscal year, the Alabama Department of Transportation estimates that it will need to spend approximately $423,947,817 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, 2021

(Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 3,171,374	$ 37,391	$ 52,500	$ 730	$ 3,261,995
Investments	2,770,620	212,923	5,717	117,510	3,106,770
Due From Other Funds	133,753	—	19,235	—	152,988
Due From Component Units	13,831	—	99,323	—	113,154
Investment Sales Receivable	1,142	—	—	—	1,142
Accounts Receivable	112,407	—	—	303	112,710
Taxes Receivable	394,912	35,043	—	—	429,955
Due From Other Governments	329,096	2,331	—	—	331,427
Mortgages, Notes, and Loans Receivable	—	—	—	60	60
Securities Lending Collateral	1,818	—	—	9,737	11,555
Inventory	1,172	—	—	—	1,172
Restricted Assets	2,666	—	—	—	2,666
Other Assets	373	—	—	—	373
TOTAL ASSETS	**$ 6,933,164**	**$ 287,688**	**$ 176,775**	**$ 128,340**	**$ 7,525,967**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 41,881	$ 0	$ 5	$ 0	$ 41,886
Investment Purchases Payable	3,115	—	—	—	3,115
Due To Other Funds	70,399	—	—	79	70,478
Due To Component Units	2,183	—	—	—	2,183
Accounts Payable	400,687	—	868	77	401,632
Due To Other Governments	380,520	—	—	—	380,520
Securities Lending Obligation	1,818	—	—	9,737	11,555
Unearned Revenue	4,243	—	—	—	4,243
Amounts Held in Custody for Others	167,947	—	—	—	167,947
Compensated Absences	65	—	—	—	65
TOTAL LIABILITIES	**1,072,858**	**0**	**873**	**9,893**	**1,083,624**
Deferred Inflows of Resources	**364,616**	**0**	**11,133**	**0**	**375,749**
Fund Balances					
Nonspendable:					
Inventory	1,172	0	0	0	1,172
Permanent Fund Principal	—	—	—	100,864	100,864
Restricted for:					
Economic Development and Regulation	262,852	—	—	—	262,852
Education and Cultural Resources	2,489,374	—	—	1,410	2,490,784
Natural Resources and Recreation	174,601	—	—	—	174,601
Health	595,966	—	—	162	596,128
Social Services	291,620	—	—	16,011	307,631
Protection of Persons and Property	305,468	—	—	—	305,468
Transportation	285,337	—	—	—	285,337
General Government	986,743	—	—	—	986,743
Capital Projects	—	—	164,769	—	164,769
Debt Service	—	287,688	—	—	287,688
Assigned for:					
Economic Development and Regulation	1,207	—	—	—	1,207
Education and Cultural Resources	22,264	—	—	—	22,264
Social Services	1,250	—	—	—	1,250
Protection of Persons and Property	51,882	—	—	—	51,882
General Government	26,623	—	—	—	26,623
Unassigned	(669)	—	—	—	(669)
Total Fund Balances	**5,495,690**	**287,688**	**164,769**	**118,447**	**6,066,594**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 6,933,164**	**$ 287,688**	**$ 176,775**	**$ 128,340**	**$ 7,525,967**

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, 2021

(Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Funds	Totals
REVENUES					
Taxes	$ 1,808,647	$ 228,944	$ 0	$ 0	$ 2,037,591
Licenses, Permits, and Fees	1,043,837	—	—	1,728	1,045,565
Fines, Forfeits, and Court Settlements	245,406	—	—	—	245,406
Investment Income	102,485	9,168	513	(754)	111,412
Federal Grants and Reimbursements	4,342,294	13,329	—	—	4,355,623
Other Revenues	424,229	23,654	69,299	13	517,195
Total Revenues	**7,966,898**	**275,095**	**69,812**	**987**	**8,312,792**
EXPENDITURES					
Current:					
Economic Development and Regulation	191,342	0	8,503	0	199,845
Education and Cultural Resources	2,337,934	—	1,231	378	2,339,543
Natural Resources and Recreation	210,925	—	—	—	210,925
Health	2,191,277	—	500	—	2,191,777
Social Services	479,780	—	—	14	479,794
Protection of Persons and Property	1,915,605	—	—	—	1,915,605
Transportation	461,294	—	—	—	461,294
General Government	1,218,597	—	—	19	1,218,616
Capital Outlay	6,849	—	15,097	—	21,946
Debt Service - Principal Retirement	5,139	382,405	—	—	387,544
Debt Service - Interest and Other Charges	6,625	207,777	—	—	214,402
Total Expenditures	**9,025,367**	**590,182**	**25,331**	**411**	**9,641,291**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(1,058,469)**	**(315,087)**	**44,481**	**576**	**(1,328,499)**
OTHER FINANCING SOURCES (USES)					
Transfers In	4,193,029	363,915	19,632	3,462	4,580,038
Bonds Issued	2,434	1,478,401	—	—	1,480,835
Capital Leases and Direct Borrowings	1,205	—	—	—	1,205
Debt Issuance Premiums	—	342,690	—	—	342,690
Insurance Recovery Proceeds	6,295	—	—	—	6,295
Transfers Out	(992,642)	(1,591,148)	(45,574)	(1,418)	(2,630,782)
Payments to Refunded Bond Escrow Agent	—	(247,697)	—	—	(247,697)
Total Other Financing Sources (Uses)	**3,210,321**	**346,161**	**(25,942)**	**2,044**	**3,532,584**
Net Change in Fund Balances	**2,151,852**	**31,074**	**18,539**	**2,620**	**2,204,085**
Fund Balances, October 1, 2020, as Restated	3,344,005	256,614	146,230	115,827	3,862,676
Increase (Decrease) in Inventory	(167)	—	—	—	(167)
Fund Balances, September 30, 2021	**$ 5,495,690**	**$ 287,688**	**$ 164,769**	**$ 118,447**	**$ 6,066,594**

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

Nonmajor Special Revenue Funds

Nonmajor Special Revenue Funds account for specific revenue sources that are legally restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Public Health
Accounts for resources used for the primary operations of the Department of Public Health, which promotes the general physical health, enforces laws relating to public health and operates programs providing preventive and treatment services to the public.

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.

Coronavirus Relief Fund
Created in response to the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide financial assistance for expenditures related to the effects of COVID-19.

ARPA Coronavirus Local Fiscal Recovery Fund
Accounts for American Rescue Plan Act (ARPA) grants distributed to local governments

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, 2021

(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	$ 196,009	$ 52,520	$ 18,507	$ 62,905	$ 158,619
Investments	—	—	63,563	—	—
Due From Other Funds	34,451	1,695	2,500	535	—
Due From Component Units	675	—	—	—	—
Investment Sales Receivable	—	—	—	—	—
Accounts Receivable	282	69	2,264	—	—
Taxes Receivable	165	30	—	31,537	10,644
Due From Other Governments	22,596	188,039	32,574	—	—
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	39	—	—
Restricted Assets	—	—	1,380	—	—
Other Assets	—	—	—	—	—
TOTAL ASSETS	**254,178**	**242,353**	**120,827**	**94,977**	**169,263**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 329	$ 4,324	$ 339	$ 572	0
Investment Purchases Payable	—	—	—	—	—
Due To Other Funds	13,353	600	339	—	—
Due To Component Units	—	157	—	—	—
Accounts Payable	44,799	10,140	29,534	131	—
Due To Other Governments	9,939	181,422	5,979	73,531	—
Claims Payable	—	—	—	—	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Amounts Held in Custody for Others	—	—	—	—	—
Compensated Absences	—	—	—	—	—
TOTAL LIABILITIES	**68,420**	**196,643**	**36,191**	**74,234**	**0**
Deferred Inflows of Resources	**0**	**0**	**7,558**	**0**	**0**
Fund Balances					
Nonspendable:					
Inventory	0	0	39	0	0
Restricted for:					
Economic Development and Regulation	—	—	—	2	—
Education and Cultural Resources	—	41,927	—	—	—
Natural Resources and Recreation	—	—	—	—	—
Health	185,758	1,786	—	—	169,263
Social Services	—	1,997	—	—	—
Protection of Persons and Property	—	—	—	—	—
Transportation	—	—	—	12,482	—
General Government	—	—	77,039	8,259	—
Assigned for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
General Government	—	—	—	—	—
Unassigned	—	—	—	—	—
Total Fund Balances	**185,758**	**45,710**	**77,078**	**20,743**	**169,263**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 254,178**	**$ 242,353**	**$ 120,827**	**$ 94,977**	**$ 169,263**

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
$ 202,694	$ 148,269	$ 282,437	$ 68,736	$ 5,054	$ 37,776	$ 142,545	$ 19,352
—	300,148	—	—	1,451,982	16,868	288	—
67,645	—	—	—	—	2,589	1,136	—
—	12,947	—	—	—	—	8	—
—	—	—	—	—	—	—	—
—	—	—	—	—	130	654	78,846
142,151	—	—	185,730	—	—	2,981	—
—	—	—	—	—	—	3,157	—
—	—	—	—	—	—	—	—
25	—	—	—	—	—	850	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
412,515	**461,364**	**282,437**	**254,466**	**1,457,036**	**57,363**	**151,619**	**98,198**
995	0	122	0	1,240	142	494	0
—	—	—	—	—	—	—	—
16,021	—	—	—	19,467	1,370	4,123	—
—	—	—	—	—	—	—	—
104,766	—	—	—	21,281	8,581	13,955	—
11,735	—	—	—	—	40	1,408	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	3,631	247	—
—	—	—	—	—	—	—	0
133,517	**0**	**122**	**0**	**41,988**	**13,764**	**20,227**	**0**
102,720	**12,947**	**0**	**155,093**	**0**	**0**	**0**	**78,846**
25	0	0	0	0	0	850	0
—	—	—	—	—	—	—	—
—	448,417	282,315	99,373	1,415,048	—	—	19,352
—	—	—	—	—	—	130,542	—
176,253	—	—	—	—	2,367	—	—
—	—	—	—	—	21,507	—	—
—	—	—	—	—	19,725	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
176,278	**448,417**	**282,315**	**99,373**	**1,415,048**	**43,599**	**131,392**	**19,352**
$ 412,515	**$ 461,364**	**$ 282,437**	**$ 254,466**	**$ 1,457,036**	**$ 57,363**	**$ 151,619**	**$ 98,198**

Continued on next page...

COMBINING BALANCE SHEET

Nonmajor Special Revenue Funds *Continued from previous page*

September 30, 2021

(Amounts in Thousands)

	Veteran Affairs	Corrections	Environmental Management	Professional and Occupational Boards	Emergency Management
ASSETS					
Cash and Cash Equivalents	$ 214,639	$ 19,212	$ 38,284	$ 62,819	$ 1,638
Investments	—	—	32,222	21,088	—
Due From Other Funds	—	1,306	234	38	333
Due From Component Units	—	—	197	—	—
Investment Sales Receivable	—	—	—	—	—
Accounts Receivable	—	149	—	90	2
Taxes Receivable	—	—	—	—	—
Due From Other Governments	3,097	—	—	—	53,534
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	—	—
Restricted Assets	—	—	—	—	—
Other Assets	—	—	—	10	—
TOTAL ASSETS	**217,736**	**20,667**	**70,937**	**84,045**	**55,507**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	0	1	268	415	286
Investment Purchases Payable	—	—	—	—	—
Due To Other Funds	1	—	4,083	260	242
Due To Component Units	—	—	—	—	—
Accounts Payable	6,832	584	11,473	2,531	547
Due To Other Governments	1	—	594	274	52,587
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	—	—	—	3,444	—
Amounts Held in Custody for Others	—	—	—	925	—
Compensated Absences	—	—	—	—	—
TOTAL LIABILITIES	**6,834**	**585**	**16,418**	**7,849**	**53,662**
Deferred Inflows of Resources	**0**	**0**	**0**	**0**	**0**
Fund Balances					
Nonspendable:					
Inventory	0	0	0	0	0
Restricted for:					
Economic Development and Regulation	—	—	—	133	—
Education and Cultural Resources	2,470	—	—	—	—
Natural Resources and Recreation	—	—	—	10	—
Health	—	—	54,519	—	—
Social Services	208,432	—	—	—	—
Protection of Persons and Property	—	20,082	—	76,053	1,845
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	**210,902**	**20,082**	**54,519**	**76,196**	**1,845**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 217,736**	**$ 20,667**	**$ 70,937**	**$ 84,045**	**$ 55,507**

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
$ 41,965	$ 35,036	$ 5,884	$ 36,672	$ 1	$ 500	$ 43,420	$ 232,643
—	—	21,425	—	555	595,136	—	—
6,821	—	—	—	—	—	1,279	—
—	—	—	—	—	—	—	—
—	—	—	—	—	1,142	—	—
22	—	—	1	—	1,231	—	—
—	—	—	26	—	—	5,320	14,890
—	—	—	—	—	—	—	2,061
—	—	—	—	—	—	—	—
101	—	—	—	—	—	138	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
48,909	**35,036**	**27,309**	**36,699**	**556**	**598,009**	**50,157**	**249,594**
1,517	113	0	527	0	0	13	422
—	—	—	—	—	3,115	—	—
1,644	140	9	137	—	—	1,318	17
—	—	—	—	—	—	—	—
17,638	953	35	1,159	—	—	10,926	7,551
500	281	—	4	—	—	34	1,655
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	9	—
—	—	—	—	—	—	—	—
21,299	**1,487**	**44**	**1,827**	**0**	**3,115**	**12,300**	**9,645**
0	**0**	**0**	**0**	**0**	**419**	**0**	**0**
101	0	0	0	0	0	138	0
—	—	—	—	—	—	—	—
3,001	—	—	—	—	—	—	—
—	—	27,265	—	—	—	—	—
—	1,341	—	—	—	—	—	—
24,508	17,275	—	—	—	—	—	—
—	10,245	—	—	—	—	—	—
—	—	—	—	—	—	—	239,949
—	4,688	—	34,872	556	594,475	37,719	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
27,610	**33,549**	**27,265**	**34,872**	**556**	**594,475**	**37,857**	**239,949**
$ 48,909	**$ 35,036**	**$ 27,309**	**$ 36,699**	**$ 556**	**$ 598,009**	**$ 50,157**	**$ 249,594**

Continued on next page...

COMBINING BALANCE SHEET

Nonmajor Special Revenue Funds *Continued from previous page*

September 30, 2021

(Amounts in Thousands)

	Unclaimed Property Reserve Fund	Commerce	Law Enforcement	General Fund Budget Reserve Fund	Administrative Office of Courts
ASSETS					
Cash and Cash Equivalents	$ 149,866	$ 106,011	$ 55,235	$ 27,297	$ 99,533
Investments	—	—	—	—	—
Due From Other Funds	—	95	2,827	—	735
Due From Component Units	—	—	—	—	—
Investment Sales Receivable	—	—	—	—	—
Accounts Receivable	—	84	2,124	—	60
Taxes Receivable	—	—	86	—	—
Due From Other Governments	—	9,568	3,891	—	—
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	—	—
Restricted Assets	—	—	—	—	—
Other Assets	—	—	—	—	—
TOTAL ASSETS	**149,866**	**115,758**	**64,163**	**27,297**	**100,328**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	3,160	1205	234	0	260
Investment Purchases Payable	—	—	—	—	—
Due To Other Funds	—	1,735	2,480	—	63
Due To Component Units	—	—	—	—	146
Accounts Payable	—	15,891	16,659	—	1,635
Due To Other Governments	—	1,121	536	—	367
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Amounts Held in Custody for Others	146,656	—	669	—	20
Compensated Absences	—	65	—	—	—
TOTAL LIABILITIES	**149,816**	**20,017**	**20,578**	**0**	**2,491**
Deferred Inflows of Resources	**0**	**7,033**	**0**	**0**	**0**
Fund Balances					
Nonspendable:					
Inventory	0	0	0	0	0
Restricted for:					
Economic Development and Regulation	—	54	—	—	—
Education and Cultural Resources	—	87,536	—	—	—
Natural Resources and Recreation	—	—	—	—	—
Health	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	43,585	—	—
Transportation	—	—	—	—	—
General Government	50	1,118	—	27,297	97,837
Assigned for:					
Economic Development and Regulation	—	—	—	—	—
Education and Cultural Resources	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	—	—	—
General Government	—	—	—	—	—
Unassigned	—	—	—	—	—
Total Fund Balances	**50**	**88,708**	**43,585**	**27,297**	**97,837**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 149,866**	**$ 115,758**	**$ 64,163**	**$ 27,297**	**$ 100,328**

Coronavirus Relief Fund	ARPA Coronavirus Local Fiscal Recovery Fund	Miscellaneous Special Revenue Funds	Total
$ 364	$ 1,982	$ 602,950	$ 3,171,374
—	—	267,345	2,770,620
663	—	8,871	133,753
—	—	4	13,831
—	—	—	1,142
2,676	—	23,723	112,407
—	—	1,352	394,912
64	—	10,515	329,096
—	—	1,818	1,818
—	—	19	1,172
—	—	1,286	2,666
—	—	363	373
3,767	**1,982**	**918,246**	**6,933,164**
316	0	24,587	41,881
—	—	—	3,115
—	—	2,997	70,399
1,862	—	18	2,183
1,589	—	71,497	400,687
—	1,982	36,530	380,520
—	—	1,818	1,818
—	—	799	4,243
—	—	15,790	167,947
—	—	—	65
3,767	**1,982**	**154,036**	**1,072,858**
0	**0**	**0**	**364,616**
0	0	19	1,172
—	—	262,663	262,852
—	—	89,935	2,489,374
—	—	16,784	174,601
—	—	4,679	595,966
—	—	17,901	291,620
—	—	133,933	305,468
—	—	32,906	285,337
—	—	102,833	986,743
—	—	1,207	1,207
—	—	22,264	22,264
—	—	1,250	1,250
—	—	51,882	51,882
—	—	26,623	26,623
—	—	(669)	(669)
0	**0**	**764,210**	**5,495,690**
$ 3,767	**$ 1,982**	**$ 918,246**	**$ 6,933,164**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Special Revenue Funds

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	Public Health Department	Education Department	Economic and Community Affairs	Revenues Allocated to Other Governments	Other Medicaid Funds
REVENUES					
Taxes	$ 2,104	$ 2,134	$ 0	$ 493,152	$ 432,581
Licenses, Permits, and Fees	134,028	869	2,419	38,155	—
Fines, Forfeits, and Court Settlements	76	—	10,371	1	—
Investment Income	—	—	(122)	—	—
Federal Grants and Reimbursements	522,135	1,436,615	201,396	1,732	—
Other Revenues	40,231	6,847	4,586	—	—
Total Revenues	**698,574**	**1,446,465**	**218,650**	**533,040**	**432,581**
EXPENDITURES					
Current:					
Economic Development and Regulation	0	0	0	1,633	0
Education and Cultural Resources	—	1,392,679	—	—	—
Natural Resources and Recreation	—	—	—	3,226	—
Health	733,077	—	—	378	324,483
Social Services	—	52,596	—	—	—
Protection of Persons and Property	—	—	—	6,350	—
Transportation	—	—	—	313,600	—
General Government	—	—	207,779	282,176	—
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	560	—	—	—	—
Debt Service - Interest and Other Charges	349	—	—	—	—
Total Expenditures	**733,986**	**1,445,275**	**207,779**	**607,363**	**324,483**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(35,412)**	**1,190**	**10,871**	**(74,323)**	**108,098**
OTHER FINANCING SOURCES (USES)					
Transfers In	122,572	2,306	31,835	60,214	37,940
Bonds Issued	—	—	—	—	—
Capital Leases	—	—	—	—	—
Insurance Recovery Proceeds	—	—	—	—	—
Transfers Out	(26,449)	(1,710)	(15,814)	—	(37,940)
Total Other Financing Sources (Uses)	**96,123**	**596**	**16,021**	**60,214**	**0**
Net Change in Fund Balances	**60,711**	**1,786**	**26,892**	**(14,109)**	**108,098**
Fund Balances, October 1, 2020, as Restated	125,047	43,924	50,174	34,852	61,165
Increase (Decrease) in Inventory	—	—	12	—	—
Fund Balances, September 30, 2021	**$ 185,758**	**$ 45,710**	**$ 77,078**	**$ 20,743**	**$ 169,263**

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
$ 212,006	$ 0	$ 0	$ 217,651	$ 0	$ 4,100	$ 8,594	$ 0
83	—	—	28	—	664	30,594	—
—	—	—	—	—	17	1,780	115,883
—	76	—	—	398	(21)	862	3
58,082	—	—	—	—	83,029	49,920	—
5,786	—	7	36,389	—	5,007	95,062	—
275,957	**76**	**7**	**254,068**	**398**	**92,796**	**186,812**	**115,886**
0	0	0	0	0	0	0	0
—	—	284,246	186,132	172,369	—	—	200
—	—	—	—	—	—	174,232	—
991,628	—	—	—	—	—	—	—
—	—	—	—	—	96,714	—	—
—	—	—	—	—	9,674	3,771	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	533	3,566	—	—	3
991,628	**0**	**284,246**	**186,665**	**175,935**	**106,388**	**178,003**	**203**
(715,671)	**76**	**(284,239)**	**67,403**	**(175,537)**	**(13,592)**	**8,809**	**115,683**
1,059,775	146,603	307,073	533	1,573,395	19,207	14,038	32,040
—	—	—	—	2,434	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	18	4,090	—
(347,963)	—	(62)	(45,282)	(19,810)	(2,310)	(22,715)	(131,883)
711,812	**146,603**	**307,011**	**(44,749)**	**1,556,019**	**16,915**	**(4,587)**	**(99,843)**
(3,859)	**146,679**	**22,772**	**22,654**	**1,380,482**	**3,323**	**4,222**	**15,840**
180,245	301,738	259,543	76,719	34,566	40,276	127,068	3,512
(108)	—	—	—	—	—	102	—
$ 176,278	**$ 448,417**	**$ 282,315**	**$ 99,373**	**$ 1,415,048**	**$ 43,599**	**$ 131,392**	**$ 19,352**

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, 2021

(Amounts in Thousands)

	Veteran Affairs	Corrections	Environmental Management	Professional and Occupational Boards	Emergency Management
REVENUES					
Taxes	$ 0	$ 0	$ 8,668	$ 0	$ 0
Licenses, Permits, and Fees	76	5,685	76,219	50,874	—
Fines, Forfeits, and Court Settlements	—	2,052	2,892	9,909	—
Investment Income	1	1	22	1,213	—
Federal Grants and Reimbursements	43,640	—	15,780	—	173,862
Other Revenues	1,089	5,569	1,538	1,469	887
Total Revenues	**44,806**	**13,307**	**105,119**	**63,465**	**174,749**
EXPENDITURES					
Current:					
Economic Development and Regulation	0	0	0	105	0
Education and Cultural Resources	440	—	—	—	—
Natural Resources and Recreation	—	—	—	1	—
Health	—	—	102,795	—	—
Social Services	67,487	—	—	—	—
Protection of Persons and Property	—	44,525	—	56,811	173,900
Transportation	—	—	—	—	—
General Government	—	—	—	—	—
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	—	4,358	—	—	—
Debt Service - Interest and Other Charges	—	1,884	263	—	—
Total Expenditures	**67,927**	**50,767**	**103,058**	**56,917**	**173,900**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(23,121)**	**(37,460)**	**2,061**	**6,548**	**849**
OTHER FINANCING SOURCES (USES)					
Transfers In	47,176	25,177	9,332	736	420
Bonds Issued	—	—	—	—	—
Capital Leases	—	—	—	—	—
Insurance Recovery Proceeds	1,033	66	106	—	—
Transfers Out	—	—	(4,957)	(903)	(1,031)
Total Other Financing Sources (Uses)	**48,209**	**25,243**	**4,481**	**(167)**	**(611)**
Net Change in Fund Balances	25,088	(12,217)	6,542	6,381	238
Fund Balances, October 1, 2020, as Restated	185,814	32,299	47,977	69,815	1,607
Increase (Decrease) in Inventory	—	—	—	—	—
Fund Balances, September 30, 2021	**$ 210,902**	**$ 20,082**	**$ 54,519**	**$ 76,196**	**$ 1,845**

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	$ 11,233	$ 0	$ 0	$ 172,691	$ 180,853
—	—	240	260	—	—	18,804	378
767	—	—	—	—	—	—	—
—	—	5	—	(26)	96,456	—	—
73,422	—	—	—	—	—	—	30,668
10,498	369	2	3,875	—	—	7,994	9,282
84,687	**369**	**247**	**15,368**	**(26)**	**96,456**	**199,489**	**221,181**
0	0	0	0	0	0	0	0
12,289	51	—	—	—	—	—	—
—	—	7,109	—	—	—	—	—
—	1,328	—	—	—	—	—	—
103,687	17,057	—	—	—	—	—	—
—	10,146	—	—	—	—	—	—
—	—	—	—	—	—	—	98,787
—	4,643	—	75,601	—	1,865	142,097	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	1	—	—	—
115,976	**33,225**	**7,109**	**75,601**	**1**	**1,865**	**142,097**	**98,787**
(31,289)	**(32,856)**	**(6,862)**	**(60,233)**	**(27)**	**94,591**	**57,392**	**122,394**
39,413	57,674	15,000	84,055	18,685	1,806	6,046	9
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
14	—	—	—	—	—	—	—
(2,936)	(17,248)	(1,996)	(1,258)	(21,624)	(25,131)	(37,040)	(164)
36,491	**40,426**	**13,004**	**82,797**	**(2,939)**	**(23,325)**	**(30,994)**	**(155)**
5,202	7,570	6,142	22,564	(2,966)	71,266	26,398	122,239
22,411	25,979	21,123	12,308	3,522	523,209	11,402	117,710
(3)	—	—	—	—	—	57	—
$ 27,610	**$ 33,549**	**$ 27,265**	**$ 34,872**	**$ 556**	**$ 594,475**	**$ 37,857**	**$ 239,949**

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, 2021

(Amounts in Thousands)

	Unclaimed Property Reserve Fund	Commerce	Law Enforcement	General Fund Budget Reserve Fund	Administrative Office of Courts
REVENUES					
Taxes	$ 0	$ 0	$ 1,697	$ 0	$ 0
Licenses, Permits, and Fees	—	124	45,741	—	343,862
Fines, Forfeits, and Court Settlements	—	—	4,267	—	—
Investment Income	—	—	—	—	—
Federal Grants and Reimbursements	—	52,296	18,395	—	940
Other Revenues	45,000	68,664	13,455	—	15,861
Total Revenues	**45,000**	**121,084**	**83,555**	**0**	**360,663**
EXPENDITURES					
Current:					
Economic Development and Regulation	0	46,728	0	0	0
Education and Cultural Resources	—	58,094	—	—	—
Natural Resources and Recreation	—	—	—	—	—
Health	—	—	—	—	—
Social Services	—	—	—	—	—
Protection of Persons and Property	—	—	204,373	—	—
Transportation	—	—	—	—	—
General Government	—	283	—	—	352,283
Capital Outlay	—	—	—	—	—
Debt Service - Principal Retirement	—	—	—	—	—
Debt Service - Interest and Other Charges	—	—	—	—	—
Total Expenditures	**0**	**105,105**	**204,373**	**0**	**352,283**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**45,000**	**15,979**	**(120,818)**	**0**	**8,380**
OTHER FINANCING SOURCES (USES)					
Transfers In	0	475	120,244	22,297	2,724
Bonds Issued	—	—	—	—	—
Capital Leases	—	—	—	—	—
Insurance Recovery Proceeds	—	—	324	—	—
Transfers Out	(45,000)	(9,777)	(1,011)	—	—
Total Other Financing Sources (Uses)	**(45,000)**	**(9,302)**	**119,557**	**22,297**	**2,724**
Net Change in Fund Balances	0	6,677	(1,261)	22,297	11,104
Fund Balances, October 1, 2020, as Restated	50	82,031	44,846	5,000	86,733
Increase (Decrease) in Inventory	—	—	—	—	—
Fund Balances, September 30, 2021	**$ 50**	**$ 88,708**	**$ 43,585**	**$ 27,297**	**$ 97,837**

Coronavirus Relief Fund	ARPA Coronavirus Local Fiscal Recovery Fund	Miscellaneous Special Revenue Funds	Total
$ 0	$ 0	$ 61,183	$ 1,808,647
—	—	294,734	1,043,837
—	—	97,391	245,406
—	—	3,617	102,485
799,197	176,210	604,975	4,342,294
3,340	—	41,422	424,229
802,537	**176,210**	**1,103,322**	**7,966,898**
2,637	0	140,239	191,342
99,904	—	131,530	2,337,934
8,129	—	18,228	210,925
35,118	—	2,470	2,191,277
6,323	—	135,916	479,780
572,153	176,210	657,692	1,915,605
940	—	47,967	461,294
75,698	—	76,172	1,218,597
—	—	6,849	6,849
—	—	221	5,139
—	—	26	6,625
800,902	**176,210**	**1,217,310**	**9,025,367**
1,635	**0**	**(113,988)**	**(1,058,469)**
0	0	334,229	4,193,029
—	—	—	2,434
—	—	1,205	1,205
—	—	644	6,295
(1,635)	—	(168,993)	(992,642)
(1,635)	**0**	**167,085**	**3,210,321**
0	0	53,097	2,151,852
—	—	711,340	3,344,005
—	—	(227)	(167)
$ 0	**$ 0**	**$ 764,210**	**$ 5,495,690**

ALABAMA
TENNESSEE
TENNESSEE RIVER
MISSISSIPPI
GEORGIA
WARRIOR RIVER
BLACK RIVER
COOSA RIVER
CAHABA R.
TALLAPOOSA R.
TOMBIGBEE
ALABAMA RIVER
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, 2021

(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	$ 465	$ 506	$ 0	$ 22,956	$ 87
Investments	211,850	—	—	—	—
Taxes Receivable	34,893	—	—	—	—
Due From Other Governments	—	—	—	—	—
TOTAL ASSETS	**$ 247,208**	**$ 506**	**$ 0**	**$ 22,956**	**$ 87**
Fund Balances					
Restricted for:					
Debt Service	$ 247,208	$ 506	$ 0	$ 22,956	$ 87
Total Fund Balances	**247,208**	**506**	**0**	**22,956**	**87**
TOTAL LIABILITIES AND FUND BALANCES	**$ 247,208**	**$ 506**	**$ 0**	**$ 22,956**	**$ 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	$ 1,140	$ 1,960	$ 10,277	$ 0	$ 37,391
—	1,073	—	—	—	—	212,923
—	—	150	—	—	—	35,043
—	2,331	—	—	—	—	2,331
$ 0	**$ 3,404**	**$ 1,290**	$ 1,960	**$ 10,277**	$ 0	**$ 287,688**

$ 0	$ 3,404	$ 1,290	$ 1,960	$ 10,277	$ 0	$ 287,688
0	**3,404**	**1,290**	**1,960**	**10,277**	**0**	**287,688**
$ 0	**$ 3,404**	**$ 1,290**	**$ 1,960**	**$ 10,277**	**$ 0**	**$ 287,688**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Debt Service Funds

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	Public School & College Authority	General Obligation Bonds	Twenty-first Century Authority	Incentives Financing Authority	Industrial Development Authority
REVENUES					
Taxes	$ 225,634	$ 0	$ 0	$ 0	$ 0
Investment Income	6,744	—	6	28	—
Federal Grants and Reimbursements	13,329	—	—	—	—
Other Revenues	23,648	6	—	—	—
Total Revenues	**269,355**	**6**	**6**	**28**	**0**
EXPENDITURES					
Current:					
Debt Service - Principal Retirement	180,060	69,880	15,230	7,490	0
Debt Service - Interest and Other Charges	80,450	25,882	762	8,834	—
Total Expenditures	**260,510**	**95,762**	**15,992**	**16,324**	**0**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**8,845**	**(95,756)**	**(15,986)**	**(16,296)**	**0**
OTHER FINANCING SOURCES (USES)					
Transfers In	45,562	95,762	15,571	16,324	0
Bonds Issued	1,478,401	—	—	—	—
Debt Issuance Premiums	342,690	—	—	—	—
Transfers Out	(1,573,395)	—	(15,611)	(22)	—
Payments to Refunded Bond Escrow Agent	(247,697)	—	—	—	—
Total Other Financing Sources (Uses)	**293,258**	**95,762**	**(40)**	**16,302**	**0**
Net Change in Fund Balances	**302,103**	**6**	**(16,026)**	**6**	**0**
Fund Balances, October 1, 2020, as Restated	192,802	500	16,026	22,950	87
Fund Balances, September 30, 2021	**$ 494,905**	**$ 506**	**$ 0**	**$ 22,956**	**$ 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	$ 1,711	$ 0	$ 0	$ 1,599	$ 228,944
—	2,287	—	—	103	—	9,168
—	—	—	—	—	—	13,329
—	—	—	—	—	—	23,654
0	**2,287**	**1,711**	**0**	**103**	**1,599**	**275,095**
52,225	1,690	1,990	19,875	33,025	940	382,405
61,618	3,127	130	5,489	20,826	659	207,777
113,843	**4,817**	**2,120**	**25,364**	**53,851**	**1,599**	**590,182**
(113,843)	**(2,530)**	**(409)**	**(25,364)**	**(53,748)**	**0**	**(315,087)**
113,843	4,861	2,120	16,544	53,328	0	363,915
—	—	—	—	—	—	1,478,401
—	—	—	—	—	—	342,690
—	—	(2,120)	—	—	—	(1,591,148)
—	—	—	—	—	—	(247,697)
113,843	**4,861**	**0**	**16,544**	**53,328**	**0**	**346,161**
0	**2,331**	**(409)**	**(8,820)**	**(420)**	**0**	**31,074**
—	1,073	1,699	10,780	10,697	—	256,614
$ 0	**$ 3,404**	**$ 1,290**	**$ 1,960**	**$ 10,277**	**$ 0**	**$ 287,688**

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

Nonmajor 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, 2021

(Amounts in Thousands)

	General Obligation Bond Projects	Public Health Care Authority	Mental Health Finance Authority
ASSETS			
Cash and Cash Equivalents	$ 30,643	$ 14,566	$ 7,288
Investments	—	—	—
Due From Other Funds	—	—	—
Due From Component Units	—	—	99,323
TOTAL ASSETS	**$ 30,643**	**$ 14,566**	**$ 106,611**
LIABILITIES AND FUND BALANCES			
Liabilities			
Warrants Payable	5	0	0
Accounts Payable	—	828	40
Total Liabilities	**5**	**828**	**40**
Deferred Inflows Of Resources	**0**	**0**	**11,133**
Fund Balances			
Restricted for:			
Capital Projects	30,638	13,738	95,438
Total Fund Balances	**30,638**	**13,738**	**95,438**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 30,643**	**$ 14,566**	**$ 106,611**

Federal Aid Highway Finance Authority	Highway Finance Corporation	APSCA Capital Project Fund	Other Capital Project Funds	Total
$ 0	$ 0	$ 0	$ 3	$ 52,500
—	5,717	—	—	5,717
—	—	19,235	—	19,235
—	—	—	—	99,323
$ 0	**$ 5,717**	**$ 19,235**	**$ 3**	**$ 176,775**
0	0	0	0	5
—	—	—	—	868
0	**0**	**0**	**0**	**873**
0	**0**	**0**	**0**	**11,133**
0	5,717	19,235	3	164,769
0	**5,717**	**19,235**	**3**	**164,769**
$ 0	**$ 5,717**	**$ 19,235**	**$ 3**	**$ 176,775**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Capital Projects Funds

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	General Obligation Bond Projects	Public Health Care Authority	Mental Health Finance Authority
REVENUES			
Investment Income	$ 82	$ 0	$ 424
Other Revenues	—	—	69,299
Total Revenues	**82**	**0**	**69,723**
EXPENDITURES			
Current:			
Economic Development and Regulation	8,503	0	0
Education and Cultural Resources	1,231	—	—
Health	—	500	—
Capital Outlay	7,682	3,175	3,945
Total Expenditures	**17,416**	**3,675**	**3,945**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(17,334)**	**(3,675)**	**65,778**
OTHER FINANCING SOURCES (USES)			
Transfers In	0	48	54
Transfers Out	(2,151)	—	—
Total Other Financing Sources (Uses)	**(2,151)**	**48**	**54**
Net Change in Fund Balances	**(19,485)**	**(3,627)**	**65,832**
Fund Balances, October 1, 2020, as Restated	50,123	17,365	29,606
Fund Balances, September 30, 2021	**$ 30,638**	**$ 13,738**	**$ 95,438**

Federal Aid Highway Finance Authority	Highway Finance Corporation	APSCA Capital Project Fund	Other Capital Project Funds	Totals
$ 5	$ 2	$ 0	$ 0	$ 513
—	—	—	—	69,299
5	**2**	**0**	**0**	**69,812**
0	0	0	0	8,503
—	—	—	—	1,231
—	—	—	—	500
—	—	295	—	15,097
0	**0**	**295**	**0**	**25,331**
5	**2**	**(295)**	**0**	**44,481**
0	0	19,530	0	19,632
(42,586)	(837)	—	—	(45,574)
(42,586)	**(837)**	**19,530**	**0**	**(25,942)**
(42,581)	**(835)**	**19,235**	**0**	**18,539**
42,581	6,552	—	3	146,230
$ 0	**$ 5,717**	**$ 19,235**	**$ 3**	**$ 164,769**

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

Nonmajor Permanent Funds

Nonmajor Permanent Funds report resources that are legally restricted so that only earnings, not principal, may be used for purposes that support the State's governmental programs.

Marine and Game and Fish Endowments
Invests the proceeds of lifetime hunting and fishing licenses and uses the investment income to preserve, protect, propagate, and develop wildlife within the State.

Alabama Research Alliance
Is a trust fund which awards research grants to State universities to promote science and technology.

Senior Services Trust
Invests a portion of the proceeds from the tobacco settlement in order to accumulate money to expand programs benefiting elderly citizens.

Other Permanent Funds
Accounts for several small permanent funds which further educational, health, and social programs.

COMBINING BALANCE SHEET

Nonmajor Permanent Funds

September 30, 2021

(Amounts in Thousands)

	Marine, Game, and Fish Endowment	Alabama Research Alliance	Senior Services Trust	Other Permanent Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 595	$ 9	$ 0	$ 126	$ 730
Investments	31,522	12,801	57,981	15,206	117,510
Accounts Receivable	—	—	303	—	303
Mortgages, Notes, and Loans Receivable	—	—	—	60	60
Securities Lending Collateral	2,761	—	6,976	—	9,737
TOTAL ASSETS	**$ 34,878**	**$ 12,810**	**$ 65,260**	**$ 15,392**	**$ 128,340**
LIABILITIES AND FUND BALANCES					
Liabilities					
Due To Other Funds	77	2	0	0	79
Accounts Payable	—	77	—	—	77
Securities Lending Obligation	2,761	—	6,976	—	9,737
Total Liabilities	**2,838**	**79**	**6,976**	**0**	**9,893**
Fund Balances					
Nonspendable:					
Permanent Fund Principal	32,040	11,500	42,273	15,051	100,864
Restricted for:					
Education and Cultural Resources	—	1,231	—	179	1,410
Health	—	—	—	162	162
Social Services	—	—	16,011	—	16,011
Total Fund Balances	**32,040**	**12,731**	**58,284**	**15,392**	**118,447**
TOTAL LIABILITIES AND FUND BALANCES	**$ 34,878**	**$ 12,810**	**$ 65,260**	**$ 15,392**	**$ 128,340**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Permanent Funds

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	Marine, Game, and Fish Endowment	Alabama Research Alliance	Senior Services Trust	Other Permanent Funds	Totals
REVENUES					
Licenses, Permits, and Fees	$ 1,622	$ 0	$ 0	$ 106	$ 1,728
Investment Income	(747)	(47)	97	(57)	(754)
Other Revenues	—	—	13	—	13
Total Revenues	**875**	**(47)**	**110**	**49**	**987**
EXPENDITURES					
Current:					
Education and Cultural Resources	0	378	0	0	378
Social Services	—	—	14	—	14
General Government	—	—	4	15	19
Total Expenditures	**0**	**378**	**18**	**15**	**411**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**875**	**(425)**	**92**	**34**	**576**
OTHER FINANCING SOURCES (USES)					
Transfers In	0	0	3,462	0	3,462
Transfers Out	—	—	(1,187)	(231)	(1,418)
Total Other Financing Sources (Uses)	**0**	**0**	**2,275**	**(231)**	**2,044**
Net Change in Fund Balances	**875**	**(425)**	**2,367**	**(197)**	**2,620**
Fund Balances, October 1, 2020, as Restated	31,165	13,156	55,917	15,589	115,827
Fund Balances, September 30, 2021	**$ 32,040**	**$ 12,731**	**$ 58,284**	**$ 15,392**	**$ 118,447**

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

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, 2021

(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	133,716	133,708	8
Courts	-	-	-
Drug Court	2,051	2,051	-
Juvenile Probation Officer Services	12,073	12,073	-
TOTAL Administrative Office of Courts	**151,574**	**151,566**	**8**
Agriculture and Industries			
Administrative Services	6,603	6,603	-
Agribusiness Grant Program	-	-	-
Agricultural Development Services	1,297	1,296	1
Agricultural Inspection Services	4,202	4,202	-
Lab Analysis and Disease Control	2,651	2,651	-
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Agriculture and Industries	**14,753**	**14,752**	**1**
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	1,011	1,011	-
Legal Advice And Legal Service: Attorney General-Operations	11,448	11,448	-
State Agencies	-	-	-
TOTAL Attorney General	**12,459**	**12,459**	**-**
Auditor			
Fiscal Management	1,009	823	186
TOTAL Auditor	**1,009**	**823**	**186**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	3,398	3,398	-
-	-	-	-	-	-	336	336	-
-	-	-	42,362	30,665	11,697	176,078	164,373	11,705
-	-	-	4,946	4,946	-	4,946	4,946	-
-	-	-	-	-	-	2,051	2,051	-
750	749	1	4,647	4,643	4	17,470	17,465	5
750	**749**	**1**	**51,955**	**40,254**	**11,701**	**204,279**	**192,569**	**11,710**
-	-	-	8,133	4,482	3,651	14,736	11,085	3,651
-	-	-	17,461	17,461	-	17,461	17,461	-
-	-	-	7,106	2,144	4,962	8,403	3,440	4,963
-	-	-	18,342	14,357	3,985	22,544	18,559	3,985
-	-	-	11,426	8,112	3,314	14,077	10,763	3,314
-	-	-	266	266	-	266	266	-
-	-	-	7	7	-	7	7	-
-	**-**	**-**	**62,741**	**46,829**	**15,912**	**77,494**	**61,581**	**15,913**
13,472	13,472	-	-	-	-	13,472	13,472	-
12,082	12,082	-	27,201	27,201	-	39,283	39,283	-
450	450	-	-	-	-	450	450	-
13,534	13,534	-	-	-	-	13,534	13,534	-
1,000	1,000	-	-	-	-	1,000	1,000	-
263	263	-	-	-	-	263	263	-
210	210	-	-	-	-	210	210	-
3,375	3,375	-	-	-	-	3,375	3,375	-
350	350	-	-	-	-	350	350	-
200	200	-	-	-	-	200	200	-
4,725	4,725	-	-	-	-	4,725	4,725	-
400	400	-	-	-	-	400	400	-
125	125	-	-	-	-	125	125	-
-	-	-	2,000	1,190	810	2,000	1,190	810
241	241	-	-	-	-	241	241	-
5,449	5,449	-	-	-	-	5,449	5,449	-
18,182	18,182	-	-	-	-	18,182	18,182	-
7,161	7,161	-	-	-	-	7,161	7,161	-
8,994	8,994	-	-	-	-	8,994	8,994	-
340,451	340,451	-	-	-	-	340,451	340,451	-
430,664	**430,664**	**-**	**29,201**	**28,391**	**810**	**459,865**	**459,055**	**810**
-	-	-	2,096	688	1,408	3,107	1,699	1,408
-	-	-	26,476	11,469	15,007	37,924	22,917	15,007
-	-	-	2	2	-	2	2	-
-	**-**	**-**	**28,574**	**12,159**	**16,415**	**41,033**	**24,618**	**16,415**
-	-	-	-	-	-	1,009	823	186
-	**-**	**-**	**-**	**-**	**-**	**1,009**	**823**	**186**

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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Commission on Higher Education			
Planning and Coordination Services	-	-	-
Student Financial Aid	-	-	-
Support - Other Educational Activities	-	-	-
Support of State Programs	-	-	-
Support of State Universities	-	-	-
TOTAL Commission on Higher Education	**-**	**-**	**-**
Corrections			
Administration Service and Logistical Support	33,821	33,359	462
Correctional Industries	-	-	-
Corrections	-	-	-
Institutional Service Corrections	540,540	503,139	37,401
TOTAL Corrections	**574,361**	**536,498**	**37,863**
Economic and Community Affairs			
Administrative Support Service	2,794	966	1,828
Broadband Voucher Program	-	-	-
Energy Management	15,274	2,445	12,829
Law Enforcement Planning and Development	1,004	1,004	-
Planning	9,498	7,574	1,924
State Agencies	-	-	-
Surplus Property	541	541	-
Water Resources	2,394	1,901	493
TOTAL Economic and Community Affairs	**31,505**	**14,431**	**17,074**
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	-	-	-
Reading is Fundamental Program	-	-	-
School Nurses Program	-	-	-
State Agencies	-	-	-
Teacher Excellence & Accountability for Math & Science - 008	-	-	-
Transportation Program	-	-	-
TOTAL Education	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
3,850	3,343	507	661	273	388	4,511	3,616	895
19,534	19,193	341	725	214	511	20,259	19,407	852
2,623	2,510	113	1,100	1,093	7	3,723	3,603	120
8,503	8,487	16	-	-	-	8,503	8,487	16
5,616	5,616	-	-	-	-	5,616	5,616	-
40,126	**39,149**	**977**	**2,486**	**1,580**	**906**	**42,612**	**40,729**	**1,883**
-	-	-	-	-	-	33,821	33,359	462
-	-	-	29,317	17,321	11,996	29,317	17,321	11,996
-	-	-	40,593	40,593	-	40,593	40,593	-
-	-	-	54,796	44,966	9,830	595,336	548,105	47,231
-	**-**	**-**	**124,706**	**102,880**	**21,826**	**699,067**	**639,378**	**59,689**
-	-	-	11,655	9,951	1,704	14,449	10,917	3,532
-	-	-	49,474	49,474	-	49,474	49,474	-
1,000	160	840	202,935	95,538	107,397	219,209	98,143	121,066
-	-	-	119,285	59,365	59,920	120,289	60,369	59,920
-	-	-	107,880	40,234	67,646	117,378	47,808	69,570
-	-	-	30	30	-	30	30	-
-	-	-	2,771	2,250	521	3,312	2,791	521
-	-	-	7,542	4,940	2,602	9,936	6,841	3,095
1,000	**160**	**840**	**501,572**	**261,782**	**239,790**	**534,077**	**276,373**	**257,704**
239,438	220,607	18,831	62,130	19,238	42,892	301,568	239,845	61,723
-	-	-	1,917	374	1,543	1,917	374	1,543
250	250	-	-	-	-	250	250	-
19,568	19,268	300	-	-	-	19,568	19,268	300
399	224	175	-	-	-	399	224	175
5,000	4,995	5	-	-	-	5,000	4,995	5
-	-	-	103,843	53,099	50,744	103,843	53,099	50,744
-	-	-	67,581	67,524	57	67,581	67,524	57
-	-	-	76,335	76,328	7	76,335	76,328	7
-	-	-	533	533	-	533	533	-
63,956	53,699	10,257	3,850,165	1,489,387	2,360,778	3,914,121	1,543,086	2,371,035
3,973,907	3,969,230	4,677	195,028	195,028	-	4,168,935	4,164,258	4,677
266	16	250	-	-	-	266	16	250
3,827	3,799	28	-	-	-	3,827	3,799	28
8,776	8,776	-	-	-	-	8,776	8,776	-
100	100	-	-	-	-	100	100	-
8,441	8,441	-	-	-	-	8,441	8,441	-
-	-	-	-	-	-	-	-	-
33,993	33,993	-	-	-	-	33,993	33,993	-
-	-	-	25	25	-	25	25	-
-	-	-	50,000	-	50,000	50,000	-	50,000
375,781	375,210	571	-	-	-	375,781	375,210	571
4,733,702	**4,698,608**	**35,094**	**4,407,557**	**1,901,536**	**2,506,021**	**9,141,259**	**6,600,144**	**2,541,115**

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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Emergency Management Agency			
Readiness And Recovery	-	-	-
Readiness And Recovery: Administration	5,520	5,512	8
Readiness And Recovery: Federal Emergency Management Agency - Match	14,647	14,565	82
State Agencies	-	-	-
TOTAL Emergency Management Agency	**20,167**	**20,077**	**90**
Examiners of Public Accounts			
Legislative Support - Audit Service	8,481	8,481	-
State Agencies	-	-	-
TOTAL Examiners of Public Accounts	**8,481**	**8,481**	**-**
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	1,181	-	1,181
Fiscal Management	-	-	-
Fiscal Management: Budget Office	2,155	1,023	1,132
Fiscal Management: Debt Management	-	-	-
Fiscal Management: Director's Office	699	267	432
State Agencies	-	-	-
State Capitol Program: Capitol	11,890	1,719	10,171
State Equipment	-	-	-
TOTAL Finance	**15,925**	**3,009**	**12,916**
Governor			
Criminal Investigation: Law Enforcement Fund	10	-	10
Executive Direction: Governor's BP Oil Spill	-	-	-
Executive Direction: Governor's Office	4,915	4,190	725
Executive Direction: Governor's Office of Education and Workforce Transformation	519	126	393
Executive Direction: Governor's Proclamation Expense	874	554	320
Executive Direction: National Governor's Conference	147	147	-
TOTAL Governor	**6,465**	**5,017**	**1,448**
Human Resources			
Human Services	-	-	-
State Agencies	-	-	-
TOTAL Human Resources	**-**	**-**	**-**
Labor			
Administrative Services	398	29	369
Employment Security	-	-	-
Industrial Safety and Accident Prevention	1,369	771	598
Regulation Workers Compensation	-	-	-
Regulatory Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Labor	**1,767**	**800**	**967**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	133,740	123,703	10,037	133,740	123,703	10,037
-	-	-	-	-	-	5,520	5,512	8
-	-	-	-	-	-	14,647	14,565	82
-	-	-	7,162	7,162	-	7,162	7,162	-
-	**-**	**-**	**140,902**	**130,865**	**10,037**	**161,069**	**150,942**	**10,127**
9,460	9,460	-	3,472	1,511	1,961	21,413	19,452	1,961
-	-	-	3	3	-	3	3	-
9,460	**9,460**	**-**	**3,475**	**1,514**	**1,961**	**21,416**	**19,455**	**1,961**
-	-	-	63,771	45,940	17,831	63,771	45,940	17,831
-	-	-	35,372	16,628	18,744	35,372	16,628	18,744
-	-	-	9,568	6,588	2,980	9,568	6,588	2,980
-	-	-	-	-	-	1,181	-	1,181
-	-	-	21,246	18,235	3,011	21,246	18,235	3,011
253	252	1	-	-	-	2,408	1,275	1,133
230	222	8	-	-	-	230	222	8
-	-	-	-	-	-	699	267	432
-	-	-	371	370	1	371	370	1
-	-	-	-	-	-	11,890	1,719	10,171
-	-	-	32	32	-	32	32	-
483	**474**	**9**	**130,360**	**87,793**	**42,567**	**146,768**	**91,276**	**55,492**
-	-	-	-	-	-	10	-	10
-	-	-	656	-	656	656	-	656
-	-	-	-	-	-	4,915	4,190	725
-	-	-	-	-	-	519	126	393
-	-	-	-	-	-	874	554	320
-	-	-	-	-	-	147	147	-
-	**-**	**-**	**656**	**-**	**656**	**7,121**	**5,017**	**2,104**
-	-	-	3,335,004	3,117,924	217,080	3,335,004	3,117,924	217,080
-	-	-	410	410	-	410	410	-
-	**-**	**-**	**3,335,414**	**3,118,334**	**217,080**	**3,335,414**	**3,118,334**	**217,080**
-	-	-	27,154	14,960	12,194	27,552	14,989	12,563
-	-	-	118,573	84,712	33,861	118,573	84,712	33,861
-	-	-	31,829	5,467	26,362	33,198	6,238	26,960
-	-	-	5,891	4,240	1,651	5,891	4,240	1,651
-	-	-	3,041	1,799	1,242	3,041	1,799	1,242
-	-	-	2,235	2,235	-	2,235	2,235	-
-	-	-	299	299	-	299	299	-
-	**-**	**-**	**189,022**	**113,712**	**75,310**	**190,789**	**114,512**	**76,277**

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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Law Enforcement Agency			
Administrative Bureau	-	-	-
Department of Public Safety	-	-	-
Information Bureau	-	-	-
Readiness And Recovery	-	-	-
State Agencies	-	-	-
State Bureau of Investigation	-	-	-
State Equipment	-	-	-
TOTAL Law Enforcement Agency	**-**	**-**	**-**
Legislature			
Commission to Reduce Poverty	7	-	7
Legislative Operations and Support	25,211	22,145	3,066
State Agencies	-	-	-
State Equipment	-	-	-
TOTAL Legislature	**25,218**	**22,145**	**3,073**
Medicaid Agency			
Medical Assistance Through Medicaid: Administrative Cost	55,822	52,763	3,059
Medical Assistance Through Medicaid: Alabama Coordinated Health Networks (ACHN)	677	-	677
Medical Assistance Through Medicaid: Alternative Care	28,000	7,820	20,180
Medical Assistance Through Medicaid: Family Planning	190	-	190
Medical Assistance Through Medicaid: Health Support	41,619	25,295	16,324
Medical Assistance Through Medicaid: Hospital Care	25,000	1,221	23,779
Medical Assistance Through Medicaid: Integrated Care Network (ICN)	-	-	-
Medical Assistance Through Medicaid: Medicaid-Children's Health Insurance Program	-	-	-
Medical Assistance Through Medicaid: Mental Health - Facilities	-	-	-
Medical Assistance Through Medicaid: Mental Health - Waivers	-	-	-
Medical Assistance Through Medicaid: Mental Health-Others Health Insurance	-	-	-
Medical Assistance Through Medicaid: Nursing Home Care	205,000	150,991	54,009
Medical Assistance Through Medicaid: Pharmaceutical	243,500	215,982	27,518
Medical Assistance Through Medicaid: Physician Care	150,000	106,036	43,964
Medical Assistance Through Medicaid: Premiums	120,417	94,364	26,053
TOTAL Medicaid Agency	**870,225**	**654,472**	**215,753**
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	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	34,888	29,607	5,281	34,888	29,607	5,281
-	-	-	103,117	83,779	19,338	103,117	83,779	19,338
-	-	-	72,808	56,795	16,013	72,808	56,795	16,013
-	-	-	170	170	-	170	170	-
-	-	-	281	281	-	281	281	-
-	-	-	47,073	38,328	8,745	47,073	38,328	8,745
-	-	-	593	593	-	593	593	-
-	**-**	**-**	**258,930**	**209,553**	**49,377**	**258,930**	**209,553**	**49,377**
-	-	-	-	-	-	7	-	7
4,871	3,108	1,763	-	-	-	30,082	25,253	4,829
-	-	-	143	143	-	143	143	-
-	-	-	562	562	-	562	562	-
4,871	**3,108**	**1,763**	**705**	**705**	**-**	**30,794**	**25,958**	**4,836**
-	-	-	268,357	226,558	41,799	324,179	279,321	44,858
-	-	-	62,342	59,499	2,843	63,019	59,499	3,520
-	-	-	336,940	325,130	11,810	364,940	332,950	31,990
-	-	-	39,704	33,865	5,839	39,894	33,865	6,029
-	-	-	325,813	324,819	994	367,432	350,114	17,318
-	-	-	2,938,560	2,882,793	55,767	2,963,560	2,884,014	79,546
-	-	-	44,716	39,809	4,907	44,716	39,809	4,907
-	-	-	195,480	194,637	843	195,480	194,637	843
-	-	-	3,159	2,031	1,128	3,159	2,031	1,128
-	-	-	392,015	387,493	4,522	392,015	387,493	4,522
-	-	-	134,277	123,589	10,688	134,277	123,589	10,688
-	-	-	937,791	843,836	93,955	1,142,791	994,827	147,964
-	-	-	706,915	694,339	12,576	950,415	910,321	40,094
-	-	-	550,390	547,588	2,802	700,390	653,624	46,766
-	-	-	371,253	367,823	3,430	491,670	462,187	29,483
-	**-**	**-**	**7,307,712**	**7,053,809**	**253,903**	**8,177,937**	**7,708,281**	**469,656**
-	-	-	98,613	88,054	10,559	98,613	88,054	10,559
-	-	-	639,366	518,956	120,410	639,366	518,956	120,410
-	-	-	465,094	393,845	71,249	465,094	393,845	71,249
-	-	-	4,935	4,935	-	4,935	4,935	-
-	-	-	43,600	21,457	22,143	43,600	21,457	22,143
-	-	-	6,475	6,475	-	6,475	6,475	-
-	-	-	1	1	-	1	1	-
-	-	-	129,195	82,854	46,341	129,195	82,854	46,341
-	**-**	**-**	**1,387,279**	**1,116,577**	**270,702**	**1,387,279**	**1,116,577**	**270,702**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Public Health			
Administrative Services	16,909	15,004	1,905
Alabama Medical Education Consortium Program	-	-	-
Children's Health Insurance	-	-	-
Emergency Medical Service Education	-	-	-
Family Practice Rural Health	-	-	-
Healthcare	-	-	-
Office of Emergency Medical Services	-	-	-
Public Health Services	41,274	40,880	394
State Agencies	-	-	-
TOTAL Public Health	**58,183**	**55,884**	**2,299**
Public Service Commission			
Regulatory Services	-	-	-
TOTAL Public Service Commission	**-**	**-**	**-**
Rehabilitation Services			
Direct Client Services-Handicap	-	-	-
State Agencies	-	-	-
TOTAL Rehabilitation Services	**-**	**-**	**-**
Revenue			
State Revenue Administration	113	31	82
TOTAL Revenue	**113**	**31**	**82**
Secretary of State			
Administrative Support Service	-	-	-
Administrative Support Service: Distribution of Public Documents	188	34	154
Administrative Support Service: Printing of Acts/Journals	93	-	93
Administrative Support Service: Printing of Codes	811	109	702
Special Services: Photo Voter Identification	965	463	502
Special Services: Training of Elected Officials	79	45	34
TOTAL Secretary of State	**2,136**	**651**	**1,485**
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	-	-	-
Youth Services	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
1,076	641	435	25,271	20,373	4,898	43,256	36,018	7,238
385	385	-	-	-	-	385	385	-
-	-	-	315,936	246,504	69,432	315,936	246,504	69,432
1,636	1,526	110	-	-	-	1,636	1,526	110
2,680	2,484	196	-	-	-	2,680	2,484	196
-	-	-	12,300	12,300	-	12,300	12,300	-
1,000	1,000	-	-	-	-	1,000	1,000	-
14,083	13,928	155	618,752	433,476	185,276	674,109	488,284	185,825
-	-	-	15,606	15,606	-	15,606	15,606	-
20,860	**19,964**	**896**	**987,865**	**728,259**	**259,606**	**1,066,908**	**804,107**	**262,801**
-	-	-	23,837	18,972	4,865	23,837	18,972	4,865
-	**-**	**-**	**23,837**	**18,972**	**4,865**	**23,837**	**18,972**	**4,865**
48,477	48,474	3	157,666	117,980	39,686	206,143	166,454	39,689
-	-	-	198	198	-	198	198	-
48,477	**48,474**	**3**	**157,864**	**118,178**	**39,686**	**206,341**	**166,652**	**39,689**
-	-	-	210,652	180,435	30,217	210,765	180,466	30,299
-	**-**	**-**	**210,652**	**180,435**	**30,217**	**210,765**	**180,466**	**30,299**
-	-	-	20,537	13,620	6,917	20,537	13,620	6,917
-	-	-	-	-	-	188	34	154
-	-	-	-	-	-	93	-	93
-	-	-	-	-	-	811	109	702
-	-	-	-	-	-	965	463	502
-	-	-	-	-	-	79	45	34
-	**-**	**-**	**20,537**	**13,620**	**6,917**	**22,673**	**14,271**	**8,402**
-	-	-	71	-	71	71	-	71
-	-	-	183,336	168,093	15,243	183,336	168,093	15,243
-	-	-	113,185	41,319	71,866	113,185	41,319	71,866
-	-	-	267,493	96,242	171,251	267,493	96,242	171,251
-	-	-	937	937	-	937	937	-
-	-	-	4	4	-	4	4	-
-	-	-	2,399,423	1,370,899	1,028,524	2,399,423	1,370,899	1,028,524
-	**-**	**-**	**2,964,449**	**1,677,494**	**1,286,955**	**2,964,449**	**1,677,494**	**1,286,955**
-	-	-	5,399	4,145	1,254	5,399	4,145	1,254
-	-	-	22	22	-	22	22	-
-	**-**	**-**	**5,421**	**4,167**	**1,254**	**5,421**	**4,167**	**1,254**
-	-	-	3,566	3,566	-	3,566	3,566	-
-	-	-	1,000	531	469	1,000	531	469
-	-	-	8,583	7,260	1,323	8,583	7,260	1,323
-	-	-	199	199	-	199	199	-
-	-	-	95,078	69,548	25,530	95,078	69,548	25,530

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
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	-	-	-
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	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	**-**	**-**	**108,426**	**81,104**	**27,322**	**108,426**	**81,104**	**27,322**
432	432	-	-	-	-	432	432	-
1,226	1,226	-	-	-	-	1,226	1,226	-
383	383	-	-	-	-	383	383	-
37,913	37,913	-	1,680	1,680	-	39,593	39,593	-
3,854	3,854	-	-	-	-	3,854	3,854	-
100	100	-	-	-	-	100	100	-
43,908	**43,908**	**-**	**1,680**	**1,680**	**-**	**45,588**	**45,588**	**-**
38,707	38,707	-	-	-	-	38,707	38,707	-
38,707	**38,707**	**-**	**-**	**-**	**-**	**38,707**	**38,707**	**-**
15,281	15,281	-	-	-	-	15,281	15,281	-
15,281	**15,281**	**-**	**-**	**-**	**-**	**15,281**	**15,281**	**-**
9,683	9,683	-	-	-	-	9,683	9,683	-
9,683	**9,683**	**-**	**-**	**-**	**-**	**9,683**	**9,683**	**-**
49,399	49,399	-	1,211	1,211	-	50,610	50,610	-
49,399	**49,399**	**-**	**1,211**	**1,211**	**-**	**50,610**	**50,610**	**-**
15,935	15,935	-	1,001	1,001	-	16,936	16,936	-
15,935	**15,935**	**-**	**1,001**	**1,001**	**-**	**16,936**	**16,936**	**-**
34,355	34,355	-	-	-	-	34,355	34,355	-
34,355	**34,355**	**-**	**-**	**-**	**-**	**34,355**	**34,355**	**-**
36,075	36,075	-	-	-	-	36,075	36,075	-
36,075	**36,075**	**-**	**-**	**-**	**-**	**36,075**	**36,075**	**-**
192,057	192,057	-	8,188	8,188	-	200,245	200,245	-
192,057	**192,057**	**-**	**8,188**	**8,188**	**-**	**200,245**	**200,245**	**-**
26,000	26,000	-	1,703	1,703	-	27,703	27,703	-
26,000	**26,000**	**-**	**1,703**	**1,703**	**-**	**27,703**	**27,703**	**-**
5,548	5,548	-	-	-	-	5,548	5,548	-
5,548	**5,548**	**-**	**-**	**-**	**-**	**5,548**	**5,548**	**-**
43,764	43,764	-	2,888	2,888	-	46,652	46,652	-
43,764	**43,764**	**-**	**2,888**	**2,888**	**-**	**46,652**	**46,652**	**-**
947	947	-	-	-	-	947	947	-
947	**947**	**-**	**-**	**-**	**-**	**947**	**947**	**-**
57,907	57,907	-	4,659	4,659	-	62,566	62,566	-
57,907	**57,907**	**-**	**4,659**	**4,659**	**-**	**62,566**	**62,566**	**-**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Tuskegee University			
Support - Other Educational Activities	-	-	-
Total Tuskegee University	**-**	**-**	**-**
University of Alabama - Birmingham			
Support of State Universities	-	-	-
Support of State Universities: Chauncey Sparks Center/University of Alabama at Birmingham	-	-	-
Support of State Universities: University Of Alabama-Birmingham/Operations and Maintenance	-	-	-
Total University of Alabama - Birmingham	**-**	**-**	**-**
University of Alabama - Huntsville			
Support of State Universities: University Of Alabama-Huntsville/Operations and Maintenance	-	-	-
Total University of Alabama - Huntsville	**-**	**-**	**-**
University of Alabama - Tuscaloosa			
Support of State Universities: University Of Alabama-Tuscaloosa/Operations and Maintenance	-	-	-
Total University of Alabama - Tuscaloosa	**-**	**-**	**-**
University of Montevallo			
Support of State Universities: University Of Montevallo-Operations and Maintenance	-	-	-
Total University of Montevallo	**-**	**-**	**-**
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	415	108	307
Total Agricultural Museum Board	**415**	**108**	**307**
Agriculture and Conservation Development Commission			
Water Resource Development	-	-	-
Total Agriculture and Conservation Development Commission	**-**	**-**	**-**
Alabama Athletic Commission			
Licensing, Regulation and Enforcement	-	-	-
Total Alabama Athletic Commission	**-**	**-**	**-**
Alabama Board of Genetic Counseling			
Professional and Occupational Licensing And Regulation	-	-	-
Total Alabama Board of Genetic Counseling	**-**	**-**	**-**
Alabama Commission on the Evaluation of Services			
Special Services	-	-	-
Total Alabama Commission on the Evaluation of Services	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
12,677	12,677	-	278	278	-	12,955	12,955	-
12,677	**12,677**	**-**	**278**	**278**	**-**	**12,955**	**12,955**	**-**
-	-	-	76	76	-	76	76	-
3,237	3,237	-	-	-	-	3,237	3,237	-
305,877	305,877	-	6,329	6,329	-	312,206	312,206	-
309,114	**309,114**	**-**	**6,405**	**6,405**	**-**	**315,519**	**315,519**	**-**
54,389	54,389	-	2,990	2,990	-	57,379	57,379	-
54,389	**54,389**	**-**	**2,990**	**2,990**	**-**	**57,379**	**57,379**	**-**
181,308	181,308	-	9,261	9,261	-	190,569	190,569	-
181,308	**181,308**	**-**	**9,261**	**9,261**	**-**	**190,569**	**190,569**	**-**
22,863	22,863	-	827	827	-	23,690	23,690	-
22,863	**22,863**	**-**	**827**	**827**	**-**	**23,690**	**23,690**	**-**
34,567	34,567	-	2,337	2,337	-	36,904	36,904	-
34,567	**34,567**	**-**	**2,337**	**2,337**	**-**	**36,904**	**36,904**	**-**
122,464	122,464	-	4,017	4,017	-	126,481	126,481	-
122,464	**122,464**	**-**	**4,017**	**4,017**	**-**	**126,481**	**126,481**	**-**
100	100	-	-	-	-	100	100	-
19,951	19,951	-	1,765	1,765	-	21,716	21,716	-
20,051	**20,051**	**-**	**1,765**	**1,765**	**-**	**21,816**	**21,816**	**-**
1,326,999	**1,326,999**	**-**	**49,210**	**49,210**	**-**	**1,376,209**	**1,376,209**	**-**
-	-	-	1,705	1,489	216	1,705	1,489	216
-	**-**	**-**	**1,705**	**1,489**	**216**	**1,705**	**1,489**	**216**
-	-	-	-	-	-	415	108	307
-	**-**	**-**	**-**	**-**	**-**	**415**	**108**	**307**
-	-	-	961	630	331	961	630	331
-	**-**	**-**	**961**	**630**	**331**	**961**	**630**	**331**
-	-	-	275	87	188	275	87	188
-	**-**	**-**	**275**	**87**	**188**	**275**	**87**	**188**
-	-	-	70	15	55	70	15	55
-	**-**	**-**	**70**	**15**	**55**	**70**	**15**	**55**
2,511	533	1,978	-	-	-	2,511	533	1,978
2,511	**533**	**1,978**	**-**	**-**	**-**	**2,511**	**533**	**1,978**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
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	27	12	15
Total Alabama Trust Fund	**27**	**12**	**15**
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	-	-	-
Total Architects Registration Board	**-**	**-**	**-**
Archives and History			
Historical Resources Management	1,665	1,652	13
State Agencies	-	-	-
Total Archives and History	**1,665**	**1,652**	**13**
Assisted Living Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Assisted Living Examiners Board	**-**	**-**	**-**
Athlete Agent Regulatory Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athlete Agent Regulatory Commission	**-**	**-**	**-**
Athletic Trainers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athletic Trainers Board	**-**	**-**	**-**
Auctioneers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Auctioneers Board	**-**	**-**	**-**
Banking			
Charter Licensure and Regulation Financial	-	-	-
Total Banking	**-**	**-**	**-**
Board of Adjustment			
Special Services: Damage Claims-Board of Adjustment	65	5	60
Special Services: Death Claims-Board of Adjustment	1,607	1,607	-
Total Board of Adjustment	**1,672**	**1,612**	**60**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
4,420	3,420	1,000	-	-	-	4,420	3,420	1,000
4,420	**3,420**	**1,000**	**-**	**-**	**-**	**4,420**	**3,420**	**1,000**
5,800	5,800	-	-	-	-	5,800	5,800	-
5,800	**5,800**	**-**	**-**	**-**	**-**	**5,800**	**5,800**	**-**
-	-	-	950	502	448	950	502	448
-	**-**	**-**	**950**	**502**	**448**	**950**	**502**	**448**
-	-	-	1,500	1,372	128	1,500	1,372	128
-	-	-	-	-	-	27	12	15
-	**-**	**-**	**1,500**	**1,372**	**128**	**1,527**	**1,384**	**143**
-	-	-	15,914	13,761	2,153	15,914	13,761	2,153
-	-	-	76,757	69,590	7,167	76,757	69,590	7,167
-	-	-	7,496	5,075	2,421	7,496	5,075	2,421
-	-	-	63	63	-	63	63	-
-	**-**	**-**	**100,230**	**88,489**	**11,741**	**100,230**	**88,489**	**11,741**
113	78	35	-	-	-	113	78	35
113	**78**	**35**	**-**	**-**	**-**	**113**	**78**	**35**
-	-	-	558	434	124	558	434	124
-	**-**	**-**	**558**	**434**	**124**	**558**	**434**	**124**
7,600	5,964	1,636	958	304	654	10,223	7,920	2,303
-	-	-	1	1	-	1	1	-
7,600	**5,964**	**1,636**	**959**	**305**	**654**	**10,224**	**7,921**	**2,303**
-	-	-	106	84	22	106	84	22
-	**-**	**-**	**106**	**84**	**22**	**106**	**84**	**22**
-	-	-	20	2	18	20	2	18
-	**-**	**-**	**20**	**2**	**18**	**20**	**2**	**18**
-	-	-	100	75	25	100	75	25
-	**-**	**-**	**100**	**75**	**25**	**100**	**75**	**25**
-	-	-	275	154	121	275	154	121
-	**-**	**-**	**275**	**154**	**121**	**275**	**154**	**121**
-	-	-	18,111	14,488	3,623	18,111	14,488	3,623
-	**-**	**-**	**18,111**	**14,488**	**3,623**	**18,111**	**14,488**	**3,623**
-	-	-	-	-	-	65	5	60
-	-	-	-	-	-	1,607	1,607	-
-	**-**	**-**	**-**	**-**	**-**	**1,672**	**1,612**	**60**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Board of Cosmetology and Barbering			
Professional and Occupational Licensure and Regulation	-	-	-
Total Board of Cosmetology and Barbering	**-**	**-**	**-**
Bureau of Pardons and Paroles			
Administration of Pardons and Paroles	56,692	56,657	35
State Agencies	-	-	-
State Equipment	-	-	-
Total Bureau of Pardons and Paroles	**56,692**	**56,657**	**35**
Child Abuse & Neglect Prevention			
Social Services	-	-	-
State Agencies	-	-	-
Total Child Abuse & Neglect Prevention	**-**	**-**	**-**
Children Services Facilitation			
Human Services	-	-	-
Total Children Services Facilitation	**-**	**-**	**-**
Chiropractic Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Chiropractic Examiners Board	**-**	**-**	**-**
Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority			
Water Resource Development	254	239	15
Total Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority	**254**	**239**	**15**
Coalition Against Domestic Violence			
Non-State	170	170	-
Total Coalition Against Domestic Violence	**170**	**170**	**-**
Commerce			
Industrial Development: Alabama Department Of Commerce	6,304	5,229	1,075
Industrial Training: Alabama Industrial Development Training/ Development Program	-	-	-
Industrial Training: Alabama Industrial Development Training/ Training Program	-	-	-
Industrial Training: Alabama Industrial Development/ Workforce Development	-	-	-
Industrial Training: Marketing Campaign Technical Education	-	-	-
Industrial Training: Rural Marketing Campaign	-	-	-
Skills Enhancement/Employment Opportunities: Skills Enhancement	970	438	532
State Agencies	-	-	-
State Equipment	-	-	-
Total Commerce	**7,274**	**5,667**	**1,607**
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	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	3,355	2,823	532	3,355	2,823	532
-	**-**	**-**	**3,355**	**2,823**	**532**	**3,355**	**2,823**	**532**
-	-	-	13,122	11,426	1,696	69,814	68,083	1,731
-	-	-	168	168	-	168	168	-
-	-	-	104	104	-	104	104	-
-	**-**	**-**	**13,394**	**11,698**	**1,696**	**70,086**	**68,355**	**1,731**
-	-	-	15,135	13,126	2,009	15,135	13,126	2,009
-	-	-	9	9	-	9	9	-
-	**-**	**-**	**15,144**	**13,135**	**2,009**	**15,144**	**13,135**	**2,009**
-	-	-	4,899	2,082	2,817	4,899	2,082	2,817
-	**-**	**-**	**4,899**	**2,082**	**2,817**	**4,899**	**2,082**	**2,817**
-	-	-	590	441	149	590	441	149
-	-	-	1	1	-	1	1	-
-	**-**	**-**	**591**	**442**	**149**	**591**	**442**	**149**
-	-	-	10	9	1	264	248	16
-	**-**	**-**	**10**	**9**	**1**	**264**	**248**	**16**
-	-	-	-	-	-	170	170	-
-	**-**	**-**	**-**	**-**	**-**	**170**	**170**	**-**
-	-	-	521	283	238	6,825	5,512	1,313
7,639	7,639	-	-	-	-	7,639	7,639	-
6,843	6,843	-	-	-	-	6,843	6,843	-
51,723	51,723	-	-	-	-	51,723	51,723	-
900	900	-	-	-	-	900	900	-
400	400	-	-	-	-	400	400	-
-	-	-	53,327	51,454	1,873	54,297	51,892	2,405
-	-	-	17	17	-	17	17	-
-	-	-	4	4	-	4	4	-
67,505	**67,505**	**-**	**53,869**	**51,758**	**2,111**	**128,648**	**124,930**	**3,718**
-	-	-	10,455	8,983	1,472	10,455	8,983	1,472
-	-	-	160,491	24,164	136,327	160,491	24,164	136,327
-	-	-	45,101	39,281	5,820	45,101	39,281	5,820
-	-	-	24,272	11,822	12,450	24,272	11,822	12,450
-	-	-	45,690	42,618	3,072	45,690	42,618	3,072
-	-	-	689	688	1	689	688	1
-	-	-	53	53	-	53	53	-
-	-	-	56,001	46,394	9,607	56,001	46,394	9,607
-	**-**	**-**	**342,752**	**174,003**	**168,749**	**342,752**	**174,003**	**168,749**
-	-	-	1,750	1,646	104	1,750	1,646	104
-	**-**	**-**	**1,750**	**1,646**	**104**	**1,750**	**1,646**	**104**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Council on the Arts			
Fine Arts	-	-	-
State Agencies	-	-	-
Total Council on the Arts	**-**	**-**	**-**
Counseling Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Counseling Examiners Board	**-**	**-**	**-**
Court of Civil Appeals			
Court Operations	6,143	4,127	2,016
Total Court of Civil Appeals	**6,143**	**4,127**	**2,016**
Court of Criminal Appeals			
Court Operations	5,925	4,083	1,842
Courts	-	-	-
Total Court of Criminal Appeals	**5,925**	**4,083**	**1,842**
Court Reporting			
Professional and Occupational Licensure and Regulation	-	-	-
Total Court Reporting	**-**	**-**	**-**
Credit Union Administration			
Charter Licensure and Regulation Financial	-	-	-
Total Credit Union Administration	**-**	**-**	**-**
Crime Victims Compensation Commission			
Special Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
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	13,278	12,672	606
Total District Attorneys	**13,278**	**12,672**	**606**
Early Childhood Education			
Children's Policy Council	160	49	111
Pre-K Virtual Learning Program	-	-	-
Social Services	-	-	-
Total Early Childhood Education	**160**	**49**	**111**
Educational Television Commission			
Educational Television	-	-	-
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	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
6,421	6,379	42	857	857	-	7,278	7,236	42
-	-	-	6	6	-	6	6	-
6,421	**6,379**	**42**	**863**	**863**	**-**	**7,284**	**7,242**	**42**
-	-	-	678	510	168	678	510	168
-	**-**	**-**	**678**	**510**	**168**	**678**	**510**	**168**
-	-	-	-	-	-	6,143	4,127	2,016
-	**-**	**-**	**-**	**-**	**-**	**6,143**	**4,127**	**2,016**
-	-	-	-	-	-	5,925	4,083	1,842
-	-	-	30	30	-	30	30	-
-	**-**	**-**	**30**	**30**	**-**	**5,955**	**4,113**	**1,842**
-	-	-	200	77	123	200	77	123
-	**-**	**-**	**200**	**77**	**123**	**200**	**77**	**123**
-	-	-	4,259	1,787	2,472	4,259	1,787	2,472
-	**-**	**-**	**4,259**	**1,787**	**2,472**	**4,259**	**1,787**	**2,472**
-	-	-	3,519	2,105	1,414	3,519	2,105	1,414
-	-	-	12	12	-	12	12	-
-	-	-	11	11	-	11	11	-
-	**-**	**-**	**3,542**	**2,128**	**1,414**	**3,542**	**2,128**	**1,414**
731	731	-	-	-	-	731	731	-
731	**731**	**-**	**-**	**-**	**-**	**731**	**731**	**-**
-	-	-	330	224	106	330	224	106
-	**-**	**-**	**330**	**224**	**106**	**330**	**224**	**106**
-	-	-	21,824	21,819	5	35,102	34,491	611
-	**-**	**-**	**21,824**	**21,819**	**5**	**35,102**	**34,491**	**611**
-	-	-	6,500	4,921	1,579	6,660	4,970	1,690
-	-	-	902	902	-	902	902	-
133,052	126,852	6,200	25,225	16,608	8,617	158,277	143,460	14,817
133,052	**126,852**	**6,200**	**32,627**	**22,431**	**10,196**	**165,839**	**149,332**	**16,507**
16,634	14,426	2,208	3,362	1,204	2,158	19,996	15,630	4,366
16,634	**14,426**	**2,208**	**3,362**	**1,204**	**2,158**	**19,996**	**15,630**	**4,366**
-	-	-	925	667	258	925	667	258
-	**-**	**-**	**925**	**667**	**258**	**925**	**667**	**258**
-	-	-	475	418	57	475	418	57
-	**-**	**-**	**475**	**418**	**57**	**475**	**418**	**57**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Endowments			
Debt Service: Auburn University Endowment	-	-	-
Debt Service: Grove Hill Endowment	-	-	-
Debt Service: University Of Alabama Endowment	-	-	-
Total Endowments	**-**	**-**	**-**
Environmental Management			
Environmental Management	-	-	-
Total Environmental Management	**-**	**-**	**-**
Ethics Commission			
Regulation of Public Officials and Employees	2,888	2,119	769
Total Ethics Commission	**2,888**	**2,119**	**769**
Finance - Teacher Unused Sick Leave			
Employee Benefits	-	-	-
Total Finance - Teacher Unused Sick Leave	**-**	**-**	**-**
Finance Special Appropriations			
Administration Service and Logistical Support: Removal of Prisoners	894	894	-
Criminal Investigation: Arrest of Absconding Felons	25	5	20
Executive Direction: Governors' Widow Retirement	6	-	6
Fiscal Management: Cash Management Improvement Act (CMIA)	81	81	-
Fiscal Management: Employee Suggestion Awards Program	36	1	35
Institutional Service Corrections: Feeding of Prisoners	11,978	11,280	698
Legal Advice And Legal Service: Automatic Appeal Expense	16	-	16
Legal Advice And Legal Service: Court Assessed Cost Not Otherwise Provided	265	201	64
Legal Advice And Legal Service: Law Enforcement Legal Defense	1	-	1
Special Services: Court Assessed Cost Not Otherwise Provided	5,500	4,538	962
Special Services: Dandridge, Beniah	50	50	-
Special Services: Election Expenses	8,615	4,915	3,700
Special Services: Emergency Fund, Departmental	9,858	500	9,358
Special Services: Grimes, Dan	50	50	-
Special Services: Littleton, Joseph Michael	25	25	-
Special Services: Registration of Voters	4,255	3,772	483
State Agencies	-	-	-
Total Finance Special Appropriations	**41,655**	**26,312**	**15,343**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
20	20	-	-	-	-	20	20	-
1	1	-	-	-	-	1	1	-
61	61	-	-	-	-	61	61	-
82	**82**	**-**	**-**	**-**	**-**	**82**	**82**	**-**
-	-	-	79,914	67,971	11,943	79,914	67,971	11,943
-	**-**	**-**	**79,914**	**67,971**	**11,943**	**79,914**	**67,971**	**11,943**
-	-	-	-	-	-	2,888	2,119	769
-	**-**	**-**	**-**	**-**	**-**	**2,888**	**2,119**	**769**
1,740	1,738	2	-	-	-	1,740	1,738	2
1,740	**1,738**	**2**	**-**	**-**	**-**	**1,740**	**1,738**	**2**
-	-	-	-	-	-	894	894	-
-	-	-	-	-	-	25	5	20
-	-	-	-	-	-	6	-	6
-	-	-	-	-	-	81	81	-
-	-	-	-	-	-	36	1	35
-	-	-	-	-	-	11,978	11,280	698
-	-	-	-	-	-	16	-	16
-	-	-	-	-	-	265	201	64
-	-	-	-	-	-	1	-	1
-	-	-	-	-	-	5,500	4,538	962
-	-	-	-	-	-	50	50	-
-	-	-	-	-	-	8,615	4,915	3,700
-	-	-	-	-	-	9,858	500	9,358
-	-	-	-	-	-	50	50	-
-	-	-	-	-	-	25	25	-
-	-	-	-	-	-	4,255	3,772	483
-	-	-	9	9	-	9	9	-
-	**-**	**-**	**9**	**9**	**-**	**41,664**	**26,321**	**15,343**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Finance Special Funds			
Alabama Food Banks Program	-	-	-
Appropriation Transfers	-	-	-
Colleges and Universities	-	-	-
Corrections	-	-	-
Counties	-	-	-
Courts	-	-	-
Emergency Rental Assistance	-	-	-
Faith Based	-	-	-
Healthcare	-	-	-
Homeowner Assistance Fund	-	-	-
Hospitals	-	-	-
Independent Colleges Program	-	-	-
Medical Provider Program	-	-	-
Municipalities	-	-	-
Non Profits	-	-	-
Nursing Home Program	-	-	-
Nursing Home Testing	-	-	-
PPE Production Expansion	-	-	-
Public Universities Remote Instruction and Learning Program	-	-	-
Revive Plus Program	-	-	-
Special Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Statewide Testing	-	-	-
UAB Post-Acute Care Program	-	-	-
Unemployment Trust Fund Transfer Program	-	-	-
Total Finance Special Funds	**-**	**-**	**-**
Forensic Sciences			
Forensic Science Services	16,054	15,956	98
State Agencies	-	-	-
Total Forensic Sciences	**16,054**	**15,956**	**98**
Foresters Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Foresters Registration Board	**-**	**-**	**-**
Forestry Commission			
Forest Resources Protection and Development	-	-	-
State Agencies	-	-	-
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	2,492	2,492	-
Total Fringe Benefit Accounts	**2,492**	**2,492**	**-**
Funeral Services Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Funeral Services Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	3,606	3,606	-	3,606	3,606	-
-	-	-	242,086	223,868	18,218	242,086	223,868	18,218
-	-	-	44,272	44,272	-	44,272	44,272	-
-	-	-	16,007	16,007	-	16,007	16,007	-
-	-	-	85,970	85,970	-	85,970	85,970	-
-	-	-	2,029	2,029	-	2,029	2,029	-
-	-	-	352,874	352,874	-	352,874	352,874	-
-	-	-	4,980	4,980	-	4,980	4,980	-
-	-	-	14,995	14,995	-	14,995	14,995	-
-	-	-	125,696	12,570	113,126	125,696	12,570	113,126
-	-	-	36,250	36,250	-	36,250	36,250	-
-	-	-	17,220	17,220	-	17,220	17,220	-
-	-	-	16,041	16,041	-	16,041	16,041	-
-	-	-	249,614	247,633	1,981	249,614	247,633	1,981
-	-	-	4,853	4,853	-	4,853	4,853	-
-	-	-	12,465	12,465	-	12,465	12,465	-
-	-	-	8,270	8,270	-	8,270	8,270	-
-	-	-	10,572	10,572	-	10,572	10,572	-
-	-	-	15,545	15,545	-	15,545	15,545	-
-	-	-	206,968	206,968	-	206,968	206,968	-
-	-	-	60,214	60,214	-	60,214	60,214	-
-	-	-	2,679	2,679	-	2,679	2,679	-
-	-	-	130	130	-	130	130	-
-	-	-	26,284	26,284	-	26,284	26,284	-
-	-	-	947	947	-	947	947	-
-	-	-	85,000	85,000	-	85,000	85,000	-
-	**-**	**-**	**1,645,567**	**1,512,242**	**133,325**	**1,645,567**	**1,512,242**	**133,325**
-	-	-	15,687	12,972	2,715	31,741	28,928	2,813
-	-	-	50	50	-	50	50	-
-	**-**	**-**	**15,737**	**13,022**	**2,715**	**31,791**	**28,978**	**2,813**
-	-	-	200	139	61	200	139	61
-	**-**	**-**	**200**	**139**	**61**	**200**	**139**	**61**
60	30	30	45,134	34,042	11,092	45,194	34,072	11,122
-	-	-	56	56	-	56	56	-
-	-	-	2,554	2,554	-	2,554	2,554	-
60	**30**	**30**	**47,744**	**36,652**	**11,092**	**47,804**	**36,682**	**11,122**
-	-	-	2,116	1,226	890	2,116	1,226	890
-	**-**	**-**	**2,116**	**1,226**	**890**	**2,116**	**1,226**	**890**
-	-	-	-	-	-	2,492	2,492	-
-	**-**	**-**	**-**	**-**	**-**	**2,492**	**2,492**	**-**
-	-	-	1,088	936	152	1,088	936	152
-	-	-	3	3	-	3	3	-
-	**-**	**-**	**1,091**	**939**	**152**	**1,091**	**939**	**152**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
General Contractors Licensing Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total General Contractors Licensing Board	**-**	**-**	**-**
General Obligation Debt Service and Reserve			
Debt Service	-	-	-
Debt Service: Alabama Incentives Finance Authority 2009-B 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	8,363	8,363	-
Debt Service: General Obligation 2013-A Refunding Bond	16,856	16,856	-
Debt Service: General Obligation 2013-B Capital Improvement Bond	-	-	-
Debt Service: General Obligation 2013-C Refunding Bond	273	273	-
Debt Service: General Obligation 2014-A Refunding Bonds	16,132	16,132	-
Debt Service: General Obligation 2018-A Debt Service	3,418	3,418	-
Debt Service: General Obligation 2018-B Debt Service	-	-	-
Debt Service: General Obligation 2018-C Debt Service	-	-	-
Total General Obligation Debt Service and Reserve	**46,515**	**46,515**	**-**
Geological Survey			
Mineral, Energy, and Water Resources	3,399	3,110	289
Total Geological Survey	**3,399**	**3,110**	**289**
Governor's Contingency Fund			
Executive Direction	-	-	-
Executive Direction: Governor's Contingency Fund	275	263	12
Total Governor's Contingency Fund	**275**	**263**	**12**
Governor's Mansion Authority			
Historical Resources Management	-	-	-
State Agencies	-	-	-
Total Governor's Mansion Authority	**-**	**-**	**-**
Governor's Office of Minority Affairs			
Executive Direction	1,236	441	795
Total Governor's Office of Minority Affairs	**1,236**	**441**	**795**
Governor's Office of Volunteer Services			
Executive Direction	115	19	96
Total Governor's Office of Volunteer Services	**115**	**19**	**96**
Governor's Office on Disability			
Executive Direction	452	105	347
Total Governor's Office on Disability	**452**	**105**	**347**
Health Planning and Development			
Health Planning Development and Regulation	7	7	-
Total Health Planning and Development	**7**	**7**	**-**
Hearing Instrument Dealers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Hearing Instrument Dealers Board	**-**	**-**	**-**
Heating, Air Conditioning, and Refrigeration Contractors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Heating, Air Conditioning, and Refrigeration Contractors Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	2,614	1,358	1,256	2,614	1,358	1,256
-	**-**	**-**	**2,614**	**1,358**	**1,256**	**2,614**	**1,358**	**1,256**
-	-	-	95,489	95,489	-	95,489	95,489	-
425	425	-	-	-	-	425	425	-
2,715	2,715	-	-	-	-	2,715	2,715	-
3,000	3,000	-	-	-	-	3,728	3,728	-
-	-	-	5,925	5,925	-	5,925	5,925	-
4,000	4,000	-	-	-	-	4,745	4,745	-
4,846	4,846	-	-	-	-	4,846	4,846	-
1,540	1,540	-	-	-	-	1,540	1,540	-
-	-	-	-	-	-	8,363	8,363	-
-	-	-	5,656	5,656	-	22,512	22,512	-
-	-	-	2,449	2,449	-	2,449	2,449	-
-	-	-	-	-	-	273	273	-
9,000	9,000	-	329	329	-	25,461	25,461	-
1,500	1,500	-	-	-	-	4,918	4,918	-
5,737	5,737	-	-	-	-	5,737	5,737	-
-	-	-	5,265	5,265	-	5,265	5,265	-
32,763	**32,763**	**-**	**115,113**	**115,113**	**-**	**194,391**	**194,391**	**-**
521	519	2	3,384	1,149	2,235	7,304	4,778	2,526
521	**519**	**2**	**3,384**	**1,149**	**2,235**	**7,304**	**4,778**	**2,526**
-	-	-	15	-	15	15	-	15
-	-	-	-	-	-	275	263	12
-	**-**	**-**	**15**	**-**	**15**	**290**	**263**	**27**
-	-	-	3,279	716	2,563	3,279	716	2,563
-	-	-	26	26	-	26	26	-
-	**-**	**-**	**3,305**	**742**	**2,563**	**3,305**	**742**	**2,563**
-	-	-	-	-	-	1,236	441	795
-	**-**	**-**	**-**	**-**	**-**	**1,236**	**441**	**795**
363	306	57	4,918	1,881	3,037	5,396	2,206	3,190
363	**306**	**57**	**4,918**	**1,881**	**3,037**	**5,396**	**2,206**	**3,190**
-	-	-	-	-	-	452	105	347
-	**-**	**-**	**-**	**-**	**-**	**452**	**105**	**347**
-	-	-	3,130	1,129	2,001	3,137	1,136	2,001
-	**-**	**-**	**3,130**	**1,129**	**2,001**	**3,137**	**1,136**	**2,001**
-	-	-	54	34	20	54	34	20
-	**-**	**-**	**54**	**34**	**20**	**54**	**34**	**20**
-	-	-	1,500	1,295	205	1,500	1,295	205
-	**-**	**-**	**1,500**	**1,295**	**205**	**1,500**	**1,295**	**205**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
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	-	-	-
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	130	91	39
Total Indian Affairs Commission	**130**	**91**	**39**
Insurance			
Regulatory Services	-	-	-
State Agencies	-	-	-
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	1,160	721	439
State Equipment	-	-	-
Total Judicial Inquiry Commission	**1,160**	**721**	**439**
Landscape Architect Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Landscape Architect Examining Board	**-**	**-**	**-**
Legislative Council			
Legislative Operations and Support	3,439	1,504	1,935
State Agencies	-	-	-
Total Legislative Council	**3,439**	**1,504**	**1,935**
Legislative Services Agency			
Legislative Operations and Support	7,419	4,839	2,580
State Agencies	-	-	-
Total Legislative Services Agency	**7,419**	**4,839**	**2,580**
Lieutenant Governor			
Commission on 21st Century Workforce	-	-	-
Legislative Operations and Support	811	555	256
Total Lieutenant Governor	**811**	**555**	**256**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
8,893	8,620	273	5	5	-	8,898	8,625	273
-	-	-	353	353	-	353	353	-
8,893	**8,620**	**273**	**358**	**358**	**-**	**9,251**	**8,978**	**273**
-	-	-	188	121	67	188	121	67
-	-	-	930	332	598	930	332	598
-	-	-	10,203	7,033	3,170	10,203	7,033	3,170
-	-	-	46	46	-	46	46	-
-	-	-	18	18	-	18	18	-
-	**-**	**-**	**11,385**	**7,550**	**3,835**	**11,385**	**7,550**	**3,835**
-	-	-	4,470	2,528	1,942	4,470	2,528	1,942
-	**-**	**-**	**4,470**	**2,528**	**1,942**	**4,470**	**2,528**	**1,942**
-	-	-	350	78	272	350	78	272
-	**-**	**-**	**350**	**78**	**272**	**350**	**78**	**272**
-	-	-	110	67	43	240	158	82
-	**-**	**-**	**110**	**67**	**43**	**240**	**158**	**82**
-	-	-	52,948	32,666	20,282	52,948	32,666	20,282
-	-	-	22	22	-	22	22	-
-	**-**	**-**	**52,970**	**32,688**	**20,282**	**52,970**	**32,688**	**20,282**
-	-	-	50	32	18	50	32	18
-	**-**	**-**	**50**	**32**	**18**	**50**	**32**	**18**
-	-	-	55	25	30	55	25	30
-	**-**	**-**	**55**	**25**	**30**	**55**	**25**	**30**
-	-	-	-	-	-	1,160	721	439
-	-	-	3	3	-	3	3	-
-	**-**	**-**	**3**	**3**	**-**	**1,163**	**724**	**439**
-	-	-	62	33	29	62	33	29
-	**-**	**-**	**62**	**33**	**29**	**62**	**33**	**29**
-	-	-	-	-	-	3,439	1,504	1,935
-	-	-	15	15	-	15	15	-
-	**-**	**-**	**15**	**15**	**-**	**3,454**	**1,519**	**1,935**
6,716	5,863	853	636	256	380	14,771	10,958	3,813
-	-	-	15	15	-	15	15	-
6,716	**5,863**	**853**	**651**	**271**	**380**	**14,786**	**10,973**	**3,813**
218	216	2	-	-	-	218	216	2
-	-	-	-	-	-	811	555	256
218	**216**	**2**	**-**	**-**	**-**	**1,029**	**771**	**258**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Liquefied Petroleum Gas Board			
Regulatory Services	-	-	-
Total Liquefied Petroleum Gas Board	**-**	**-**	**-**
Lyman Ward Military Academy			
Support - Other Educational Activities	-	-	-
Total Lyman Ward Military Academy	**-**	**-**	**-**
Manufactured Housing Commission			
Regulatory Services	-	-	-
Total Manufactured Housing Commission	**-**	**-**	**-**
Marine Environmental Sciences Consortium			
Support - Other Educational Activities	-	-	-
Total Marine Environmental Sciences Consortium	**-**	**-**	**-**
Marriage and Family Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Marriage and Family Therapy Board	**-**	**-**	**-**
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	907	602	305
Military Operations: Air National Guard Operations and Maintenance	1,630	1,115	515
Military Operations: Counter Drug	-	-	-
Military Operations: Military Billeting	-	-	-
Military Operations: Operations	3,118	1,365	1,753
Military Operations: Operations and Maintenance	12,692	6,937	5,755
Total Military	**18,347**	**10,019**	**8,328**
Music Hall of Fame			
Fine Arts	-	-	-
Total Music Hall of Fame	**-**	**-**	**-**
Nursing Board			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
Total Nursing Board	**-**	**-**	**-**
Nursing Home Administration Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Nursing Home Administration Examining Board	**-**	**-**	**-**
Occupational Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Occupational Therapy Board	**-**	**-**	**-**
Office of Information Technology			
Administrative Support Service	-	-	-
State Agencies	-	-	-
Total Office of Information Technology	**-**	**-**	**-**
Office of Prosecution Services			
Prosecution Training Education and Management	809	809	-
State Agencies	-	-	-
Total Office of Prosecution Services	**809**	**809**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	1,987	1,422	565	1,987	1,422	565
-	**-**	**-**	**1,987**	**1,422**	**565**	**1,987**	**1,422**	**565**
367	367	-	-	-	-	367	367	-
367	**367**	**-**	**-**	**-**	**-**	**367**	**367**	**-**
-	-	-	3,572	2,767	805	3,572	2,767	805
-	**-**	**-**	**3,572**	**2,767**	**805**	**3,572**	**2,767**	**805**
7,203	7,203	-	-	-	-	7,203	7,203	-
7,203	**7,203**	**-**	**-**	**-**	**-**	**7,203**	**7,203**	**-**
-	-	-	100	52	48	100	52	48
-	**-**	**-**	**100**	**52**	**48**	**100**	**52**	**48**
-	-	-	325	187	138	325	187	138
-	**-**	**-**	**325**	**187**	**138**	**325**	**187**	**138**
2,440	2,037	403	400	-	400	2,840	2,037	803
2,440	**2,037**	**403**	**400**	**-**	**400**	**2,840**	**2,037**	**803**
-	-	-	-	-	-	907	602	305
-	-	-	7,384	6,459	925	9,014	7,574	1,440
-	-	-	23	6	17	23	6	17
-	-	-	656	565	91	656	565	91
-	-	-	-	-	-	3,118	1,365	1,753
-	-	-	64,370	44,600	19,770	77,062	51,537	25,525
-	**-**	**-**	**72,433**	**51,630**	**20,803**	**90,780**	**61,649**	**29,131**
154	152	2	565	196	369	719	348	371
154	**152**	**2**	**565**	**196**	**369**	**719**	**348**	**371**
616	616	-	8,090	7,006	1,084	8,706	7,622	1,084
-	-	-	8	8	-	8	8	-
616	**616**	**-**	**8,098**	**7,014**	**1,084**	**8,714**	**7,630**	**1,084**
-	-	-	118	76	42	118	76	42
-	**-**	**-**	**118**	**76**	**42**	**118**	**76**	**42**
-	-	-	307	207	100	307	207	100
-	**-**	**-**	**307**	**207**	**100**	**307**	**207**	**100**
-	-	-	68,598	53,684	14,914	68,598	53,684	14,914
-	-	-	1,106	1,106	-	1,106	1,106	-
-	**-**	**-**	**69,704**	**54,790**	**14,914**	**69,704**	**54,790**	**14,914**
-	-	-	9,753	9,342	411	10,562	10,151	411
-	-	-	2	2	-	2	2	-
-	**-**	**-**	**9,755**	**9,344**	**411**	**10,564**	**10,153**	**411**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Oil and Gas Board			
Management and Regulation of Oil and Gas Exploration/Develop	2,986	2,738	248
Total Oil and Gas Board	**2,986**	**2,738**	**248**
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	-	-	-
Total Peace Officer Annuity and Benefits	**-**	**-**	**-**
Peace Officer Standards and Training			
Certified Law Enforcement Academy Program	350	350	-
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Peace Officer Standards and Training	**350**	**350**	**-**
Personnel			
Administrative Support Service	-	-	-
State Agencies	-	-	-
Total Personnel	**-**	**-**	**-**
Physical Fitness Commission			
Advisory Services	-	-	-
Total Physical Fitness Commission	**-**	**-**	**-**
Physical Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Physical Therapy Board	**-**	**-**	**-**
Plumbers and Gas Fitters Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
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	1,828	1,003	825
State Agencies	-	-	-
Total President Pro Tempore Senate	**1,828**	**1,003**	**825**
Private Investigation Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Private Investigation Board	**-**	**-**	**-**
Professional Bail Bonding Board			
Professional and Occupational Licensing And Regulation	-	-	-
Total Professional Bail Bonding Board	**-**	**-**	**-**
Professional Engineers and Land Surveyors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Professional Engineers and Land Surveyors Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	1,254	567	687	4,240	3,305	935
-	**-**	**-**	**1,254**	**567**	**687**	**4,240**	**3,305**	**935**
-	-	-	453	383	70	453	383	70
-	**-**	**-**	**453**	**383**	**70**	**453**	**383**	**70**
180	180	-	-	-	-	180	180	-
180	**180**	**-**	**-**	**-**	**-**	**180**	**180**	**-**
-	-	-	796	563	233	796	563	233
-	**-**	**-**	**796**	**563**	**233**	**796**	**563**	**233**
1,000	1,000	-	500	275	225	1,850	1,625	225
252	252	-	3,000	1,010	1,990	3,252	1,262	1,990
-	-	-	87	87	-	87	87	-
-	-	-	1	1	-	1	1	-
1,252	**1,252**	**-**	**3,588**	**1,373**	**2,215**	**5,190**	**2,975**	**2,215**
-	-	-	11,531	10,078	1,453	11,531	10,078	1,453
-	-	-	11	11	-	11	11	-
-	**-**	**-**	**11,542**	**10,089**	**1,453**	**11,542**	**10,089**	**1,453**
1,884	1,880	4	16	-	16	1,900	1,880	20
1,884	**1,880**	**4**	**16**	**-**	**16**	**1,900**	**1,880**	**20**
-	-	-	637	404	233	637	404	233
-	**-**	**-**	**637**	**404**	**233**	**637**	**404**	**233**
-	-	-	2,221	1,684	537	2,221	1,684	537
-	-	-	1	1	-	1	1	-
-	**-**	**-**	**2,222**	**1,685**	**537**	**2,222**	**1,685**	**537**
-	-	-	30	21	9	30	21	9
-	**-**	**-**	**30**	**21**	**9**	**30**	**21**	**9**
-	-	-	-	-	-	1,828	1,003	825
-	-	-	2	2	-	2	2	-
-	**-**	**-**	**2**	**2**	**-**	**1,830**	**1,005**	**825**
-	-	-	150	90	60	150	90	60
-	**-**	**-**	**150**	**90**	**60**	**150**	**90**	**60**
-	-	-	102	87	15	102	87	15
-	**-**	**-**	**102**	**87**	**15**	**102**	**87**	**15**
-	-	-	1,993	1,259	734	1,993	1,259	734
-	**-**	**-**	**1,993**	**1,259**	**734**	**1,993**	**1,259**	**734**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
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	-	-	-
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	**-**	**-**	**-**
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	1,767	1,662	105
Medicaid Waiver Services	25,010	24,649	361
Planning and Advocacy for Elderly	9,583	8,738	845
Total Senior Services	**36,360**	**35,049**	**1,311**
Sickle Cell Oversight Commission			
Support - Other Educational Activities	-	-	-
Total Sickle Cell Oversight Commission	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	75	37	38	75	37	38
-	**-**	**-**	**75**	**37**	**38**	**75**	**37**	**38**
-	-	-	250	166	84	250	166	84
-	**-**	**-**	**250**	**166**	**84**	**250**	**166**	**84**
-	-	-	559	292	267	559	292	267
-	**-**	**-**	**559**	**292**	**267**	**559**	**292**	**267**
-	-	-	6,617	4,506	2,111	6,617	4,506	2,111
-	-	-	20,755	20,755	-	20,755	20,755	-
-	**-**	**-**	**27,372**	**25,261**	**2,111**	**27,372**	**25,261**	**2,111**
-	-	-	273	273	-	273	273	-
-	**-**	**-**	**273**	**273**	**-**	**273**	**273**	**-**
12,854	12,481	373	6,613	3,344	3,269	19,467	15,825	3,642
12,854	**12,481**	**373**	**6,613**	**3,344**	**3,269**	**19,467**	**15,825**	**3,642**
-	-	-	1,171	719	452	1,171	719	452
-	**-**	**-**	**1,171**	**719**	**452**	**1,171**	**719**	**452**
-	-	-	5,750	3,973	1,777	5,750	3,973	1,777
-	-	-	17	17	-	17	17	-
-	-	-	66	66	-	66	66	-
-	**-**	**-**	**5,833**	**4,056**	**1,777**	**5,833**	**4,056**	**1,777**
-	-	-	350	163	187	350	163	187
-	**-**	**-**	**350**	**163**	**187**	**350**	**163**	**187**
-	-	-	76,085	53,170	22,915	76,085	53,170	22,915
-	-	-	628	628	-	628	628	-
-	-	-	2	2	-	2	2	-
-	**-**	**-**	**76,715**	**53,800**	**22,915**	**76,715**	**53,800**	**22,915**
8,847	8,847	-	-	-	-	8,847	8,847	-
8,847	**8,847**	**-**	**-**	**-**	**-**	**8,847**	**8,847**	**-**
-	-	-	29,115	8,507	20,608	29,115	8,507	20,608
-	**-**	**-**	**29,115**	**8,507**	**20,608**	**29,115**	**8,507**	**20,608**
-	-	-	-	-	-	1,767	1,662	105
-	-	-	127,219	87,375	39,844	152,229	112,024	40,205
-	-	-	46,322	36,601	9,721	55,905	45,339	10,566
-	**-**	**-**	**173,541**	**123,976**	**49,565**	**209,901**	**159,025**	**50,876**
1,455	1,453	2	-	-	-	1,455	1,453	2
1,455	**1,453**	**2**	**-**	**-**	**-**	**1,455**	**1,453**	**2**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
Social Work Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Social Work Examiners Board	**-**	**-**	**-**
Soil and Water Conservation Commission			
Professional and Occupational Licensure and Regulation	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Water Resource Development	2,988	2,799	189
Total Soil and Water Conservation Commission	**2,988**	**2,799**	**189**
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	3,648	1,048	2,600
Total Speaker of the House	**3,648**	**1,048**	**2,600**
Speech Pathologists and Audiologists Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Speech Pathologists and Audiologists Examining Board	**-**	**-**	**-**
State Bar Association			
Professional and Occupational Licensure and Regulation	-	-	-
Total State Bar Association	**-**	**-**	**-**
State Board of Midwifery			
Alabama State Board of Midwifery	-	-	-
Total State Board of Midwifery	**-**	**-**	**-**
State Employees Insurance Board			
Administrative Support Service	-	-	-
Fringe Benefits	-	-	-
Healthcare	-	-	-
State Agencies	-	-	-
Total State Employees Insurance Board	**-**	**-**	**-**
State Executive Community Services Grants Commission			
Alabama Community Service Grant: House of Representatives	-	-	-
Alabama Community Service Grant: Senate	-	-	-
Total State Executive Community Services Grants Commission	**-**	**-**	**-**
State Industrial Development Authority			
Industrial Development	-	-	-
Total State Industrial Development Authority	**-**	**-**	**-**
Supercomputer Authority			
Information Technology Services	-	-	-
State Agencies	-	-	-
State Equipment	-	-	-
Total Supercomputer Authority	**-**	**-**	**-**
Supreme Court			
Court Operations	12,384	11,999	385
Courts	-	-	-
Total Supreme Court	**12,384**	**11,999**	**385**
Supreme Court Law Library			
Court Operations	1,243	1,077	166
Total Supreme Court Law Library	**1,243**	**1,077**	**166**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	402	315	87	402	315	87
-	**-**	**-**	**402**	**315**	**87**	**402**	**315**	**87**
-	-	-	12	-	12	12	-	12
-	-	-	3	3	-	3	3	-
-	-	-	1	1	-	1	1	-
-	-	-	10,800	3,613	7,187	13,788	6,412	7,376
-	**-**	**-**	**10,816**	**3,617**	**7,199**	**13,804**	**6,416**	**7,388**
1,400	1,400	-	-	-	-	1,400	1,400	-
1,400	**1,400**	**-**	**-**	**-**	**-**	**1,400**	**1,400**	**-**
-	-	-	-	-	-	3,648	1,048	2,600
-	**-**	**-**	**-**	**-**	**-**	**3,648**	**1,048**	**2,600**
-	-	-	299	230	69	299	230	69
-	**-**	**-**	**299**	**230**	**69**	**299**	**230**	**69**
-	-	-	6,810	5,462	1,348	6,810	5,462	1,348
-	**-**	**-**	**6,810**	**5,462**	**1,348**	**6,810**	**5,462**	**1,348**
-	-	-	25	7	18	25	7	18
-	**-**	**-**	**25**	**7**	**18**	**25**	**7**	**18**
-	-	-	8,232	5,870	2,362	8,232	5,870	2,362
-	-	-	1,874	1,874	-	1,874	1,874	-
-	-	-	6,844	6,844	-	6,844	6,844	-
-	-	-	1,440	1,440	-	1,440	1,440	-
-	**-**	**-**	**18,390**	**16,028**	**2,362**	**18,390**	**16,028**	**2,362**
4,516	4,516	-	-	-	-	4,516	4,516	-
4,526	4,511	15	-	-	-	4,526	4,511	15
9,042	**9,027**	**15**	**-**	**-**	**-**	**9,042**	**9,027**	**15**
-	-	-	2,320	1,123	1,197	2,320	1,123	1,197
-	**-**	**-**	**2,320**	**1,123**	**1,197**	**2,320**	**1,123**	**1,197**
-	-	-	21,123	19,599	1,524	21,123	19,599	1,524
-	-	-	2,676	2,676	-	2,676	2,676	-
-	-	-	1,912	1,912	-	1,912	1,912	-
-	**-**	**-**	**25,711**	**24,187**	**1,524**	**25,711**	**24,187**	**1,524**
-	-	-	122	122	-	12,506	12,121	385
-	-	-	175	175	-	175	175	-
-	**-**	**-**	**297**	**297**	**-**	**12,681**	**12,296**	**385**
401	229	172	-	-	-	1,644	1,306	338
401	**229**	**172**	**-**	**-**	**-**	**1,644**	**1,306**	**338**

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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, 2021
(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Surface Mining Commission			
Industrial Safety and Accident Prevention	-	-	-
Total Surface Mining Commission	**-**	**-**	**-**
Tax Tribunal			
Administrative Services	-	-	-
Total Tax Tribunal	**-**	**-**	**-**
Tennessee - Tombigbee Waterway Authority			
Water Resource Development	105	105	-
Total Tennessee - Tombigbee Waterway Authority	**105**	**105**	**-**
Tourism			
State Agencies	-	-	-
State Equipment	-	-	-
Tourism and Travel Promotion	3,224	3,224	-
Tourism Marketing Recovery Program	-	-	-
Total Tourism	**3,224**	**3,224**	**-**
Veterans Affairs			
Administration of Veterans Affairs	2,170	1,683	487
State Agencies	-	-	-
Student Financial Aid	-	-	-
Veterans Cemetery	-	-	-
Veterans Homes	-	-	-
Total Veterans Affairs	**2,170**	**1,683**	**487**
Veterinarian Medical Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Veterinarian Medical Examiners Board	**-**	**-**	**-**
Women's Commission			
Employment and Social Opportunities	20	20	-
Total Women's Commission	**20**	**20**	**-**
TOTAL Other	**308,184**	**264,020**	**44,164**
TOTAL EXPENDITURES	**$ 2,102,525**	**$ 1,765,116**	**$ 337,409**
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	-	-	-
Teacher Excellence & Accountability for Math & Science	-	-	-
Youth Services	-	-	-
TOTAL Education Trust Fund Transfers	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	5,215	2,874	2,341	5,215	2,874	2,341
-	**-**	**-**	**5,215**	**2,874**	**2,341**	**5,215**	**2,874**	**2,341**
-	-	-	1,645	693	952	1,645	693	952
-	**-**	**-**	**1,645**	**693**	**952**	**1,645**	**693**	**952**
-	-	-	-	-	-	105	105	-
-	**-**	**-**	**-**	**-**	**-**	**105**	**105**	**-**
-	-	-	7	7	-	7	7	-
-	-	-	82	82	-	82	82	-
-	-	-	24,475	15,456	9,019	27,699	18,680	9,019
-	-	-	7,296	7,296	-	7,296	7,296	-
-	**-**	**-**	**31,860**	**22,841**	**9,019**	**35,084**	**26,065**	**9,019**
2,708	2,579	129	5,928	3,985	1,943	10,806	8,247	2,559
-	-	-	5,545	5,545	-	5,545	5,545	-
80,000	42,803	37,197	-	-	-	80,000	42,803	37,197
-	-	-	926	477	449	926	477	449
-	-	-	108,176	62,551	45,625	108,176	62,551	45,625
82,708	**45,382**	**37,326**	**120,575**	**72,558**	**48,017**	**205,453**	**119,623**	**85,830**
-	-	-	656	582	74	656	582	74
-	**-**	**-**	**656**	**582**	**74**	**656**	**582**	**74**
-	-	-	20	7	13	40	27	13
-	**-**	**-**	**20**	**7**	**13**	**40**	**27**	**13**
426,946	**374,331**	**52,615**	**3,364,646**	**2,732,052**	**632,594**	**4,099,776**	**3,370,403**	**729,373**
$ 7,044,338	**$ 6,952,140**	**$ 92,198**	**$25,856,154**	**$19,831,764**	**$ 6,024,390**	**$35,003,017**	**$28,549,020**	**$ 6,453,997**
307,073	307,073	-	-	-	-	307,073	307,073	-
25,000	25,000	-	-	-	-	25,000	25,000	-
725	725	-	-	-	-	725	725	-
146,603	146,603	-	-	-	-	146,603	146,603	-
3,755	3,755	-	-	-	-	3,755	3,755	-
250	250	-	-	-	-	250	250	-
2,492	2,492	-	-	-	-	2,492	2,492	-
31,424	31,424	-	-	-	-	31,424	31,424	-
58,016	58,016	-	-	-	-	58,016	58,016	-
31,882	31,882	-	-	-	-	31,882	31,882	-
533	533	-	-	-	-	533	533	-
1,584	1,584	-	-	-	-	1,584	1,584	-
580	580	-	-	-	-	580	580	-
13,400	13,400	-	-	-	-	13,400	13,400	-
50,000	50,000	-	-	-	-	50,000	50,000	-
57,154	57,154	-	-	-	-	57,154	57,154	-
730,471	**730,471**	**-**	**-**	**-**	**-**	**730,471**	**730,471**	**-**

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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, 2021

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
General Fund Transfers			
Agricultural and Conservation Development Commission	531	531	-
Alabama Department of Environmental Management-Operations	4,000	4,000	-
Building Renovation Finance Authority	1,741	1,741	-
Child Abuse Board	125	125	-
Crime Victims Compensation Commission	100	100	-
District Attorney	21,772	21,772	-
Emergency Forest Fire Fund	250	250	-
Fair Trial Tax Transfer	82,800	82,800	-
Forestry Commission	10,363	10,363	-
General Fund Budget Reserve Fund	22,297	22,297	-
Governor's Mansion Authority	1,645	1,645	-
Health Dept. CHIP - GF Transfer	60,771	60,771	-
Historical Commission	4,320	4,320	-
Human Resources	80,727	80,727	-
Local Emergency Management Agency Assistance	420	420	-
Mental Health	201,960	201,960	-
Office of Information Technology	4,500	4,500	-
Revenue Department	250	250	-
State Law Enforcement	63,544	63,544	-
Surface Mining Commission	712	712	-
Wynfield	1,404	1,404	-
Youth Services	12,705	12,705	-
TOTAL General Fund Transfers	**576,937**	**576,937**	**-**
TOTAL TRANSFERS OUT	**$ 576,937**	**$ 576,937**	**$ -**
TOTAL EXPENDITURES AND TRANSFERS OUT	**$ 2,679,462**	**$ 2,342,053**	**$ 337,409**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	531	531	-
-	-	-	-	-	-	4,000	4,000	-
-	-	-	-	-	-	1,741	1,741	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	100	100	-
-	-	-	-	-	-	21,772	21,772	-
-	-	-	-	-	-	250	250	-
-	-	-	-	-	-	82,800	82,800	-
-	-	-	-	-	-	10,363	10,363	-
-	-	-	-	-	-	22,297	22,297	-
-	-	-	-	-	-	1,645	1,645	-
-	-	-	-	-	-	60,771	60,771	-
-	-	-	-	-	-	4,320	4,320	-
-	-	-	-	-	-	80,727	80,727	-
-	-	-	-	-	-	420	420	-
-	-	-	-	-	-	201,960	201,960	-
-	-	-	-	-	-	4,500	4,500	-
-	-	-	-	-	-	250	250	-
-	-	-	-	-	-	63,544	63,544	-
-	-	-	-	-	-	712	712	-
-	-	-	-	-	-	1,404	1,404	-
-	-	-	-	-	-	12,705	12,705	-
-	**-**	**-**	**-**	**-**	**-**	**576,937**	**576,937**	**-**
$ 730,471	**$ 730,471**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,307,408**	**$ 1,307,408**	**$ -**
$ 7,774,809	**$ 7,682,611**	**$ 92,198**	**$25,856,154**	**$19,831,764**	**$ 6,024,390**	**$36,310,425**	**$29,856,428**	**$ 6,453,997**

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES

Governmental Funds in State Treasury - Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

TAXES		
General Sales Tax (4% on gross retail sale of merchandise)	$ 2,904,879	9.8 %
General Use Tax	747,087	2.5
Income Tax (2% to 5% personal income, 6.5% net corporate income)	5,687,912	19.2
Property Tax Relief (represents portion of Income Tax used to offset property taxes lost in certain funds due to homestead exemptions)	60,764	0.2
General Property Tax (6 1/2 mills for state on varying rates not over 30%)	412,709	1.4
Gasoline Taxes (24¢ per gallon; 9.5¢ aviation; 3.5¢ jet)	633,703	2.1
Utilities Tax (6% telephone, 4% other)	394,506	1.3
Insurance Premium Tax (1% to 6%)	470,041	1.6
Liquor & Wine Tax (totals 56%, collected by ABC stores)	191,825	0.6
Tobacco & Cigarette Taxes (21.25 mills per cigarette; varying amounts on cigars, smoking tobacco, snuff, etc.)	170,402	0.6
Corporation Taxes (privilege, 25¢ to $1.75 per $1,000 net worth; permit, entrance fees for filing)	130,121	0.4
State Beer Tax (5¢ per 12 oz.)	58,610	0.2
Public Utilities (2.2%)	154,173	0.5
Motor Fuel Tax (diesel 25¢ per gallon)	239,401	0.8
Tennessee Valley Authority (payments in-lieu of all state taxes)	80,128	0.3
Leasing / Renting Tangible Personal Property - (4% most items, 1.5% vehicles, 2% garments)	91,707	0.3
Production Privilege Tax (Oil & Gas Severance at amounts varying 2-8%)	29,538	0.1
Financial Institutions Excise Tax (6.5% of net income of banks and other financial institutions)	184,335	0.6
Documentary Filing Taxes (auto title, deed, mortgage, securities, etc)	112,457	0.4
Coal Severance Tax (33.5¢ per ton)	3,372	0.0
Forestry Severance Tax	5,858	0.0
Contractors Gross Receipts Tax (5% of gross receipts)	33,116	0.1
Lodgings Tax (4% or 5% of charge)	87,406	0.3
Hydroelectric Companies (tax on 2/5 mill per kilowatt hour and 2.2% per dollar gross receipts)	2,745	0.0
Lubricating Oil Tax (6¢ per gallon)	1,639	0.0
Pari-mutuel Betting (1 or 2% on pari-mutuel pools)	4,112	0.0
Court Cost Taxes	20,949	0.1
Medicaid Taxes	432,794	1.5
Cellular Telephones (6%)	20,663	0.1
Ground Materials Severance Tax	100	0.0
Vapor Products	2,807	0.0
Miscellaneous Taxes	20,039	0.1
TOTAL TAXES	**$ 13,389,898**	**45.1 %**

LICENSES AND FEES		
Conservation Licenses (fishing, hunting, boat registration, etc)	$ 38,530	0.1 %
Drivers Licenses and Fees	65,327	0.2
Petroleum Products Inspection Fees (.00025¢ to 15¢ per gallon)	58,935	0.2
Agricultural Licenses and Fees	17,044	0.1
Wholesale Oil Company License	8,212	0.0
Motor Vehicle License ($23.00 on auto; up to $890.00 on trucks and up to $210.00 on buses)	204,762	0.7
Privilege License (fees for privilege of operating stores, factories, professions, businesses, etc)	136,608	0.5
Court Fees	70,559	0.2
Alcoholic Beverage Licenses	2,595	0.0
Insurance Corporation Licenses and Fees	1,398	0.0
Miscellaneous License and Fees	336,018	1.1
TOTAL LICENSES AND FEES	**939,988**	**3.1**
FINES AND FORFEITS		
Court Fines and Forfeits	21,811	0.1
Tobacco Settlement	115,905	0.4
Miscellaneous Fines and Forfeits	113,485	0.4
TOTAL FINES AND FORFEITS	**251,201**	**0.9**
INVESTMENT INCOME	**26,057**	**0.1**
FEDERAL REVENUES	**13,898,260**	**46.9**
OTHER REVENUES		
Rents and Royalties	68,725	0.2
Reimbursements	107,990	0.4
Sales of Property or Services	74,789	0.3
Contributions	24,647	0.1
Intragovernmental Services	284,053	1.0
Local Revenues	42,216	0.1
Medicaid CPE/IGT Revenues	331,373	1.1
Miscellaneous Revenues	184,002	0.6
TOTAL OTHER REVENUES	**1,117,795**	**3.8**
TOTAL REVENUES	**$ 29,623,199**	**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, 2021

(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	$ 2,904,879	$ 102,332	$ 2,802,547	$ 103,313	$ 174,160	$ 0	$ 2,320,781	$ 0
General Use Tax	747,087	3,986	743,101	500	475,141	—	266,446	—
Income Tax	5,687,912	44,036	5,643,876	—	—	—	5,643,876	—
Property Tax Relief	60,764	—	60,764	8,974	24,867	26,923	—	—
General Property Tax	412,709	5,463	407,246	61,500	157,332	188,414	—	—
Gasoline Taxes	633,703	13,192	620,511	—	—	—	—	—
Utilities Tax	394,506	313	394,193	—	—	—	379,593	—
Insurance Premium Tax	470,041	—	470,041	—	464,503	—	—	—
Liquor & Wine Tax	191,825	—	191,825	68,801	95,921	—	—	—
Tobacco & Cigarette Taxes	170,402	441	169,961	2,334	155,781	—	—	—
Corporation Taxes	130,121	—	130,121	—	90,019	—	—	—
State Beer Tax	58,610	—	58,610	11,722	17,583	—	23,444	—
Public Utilities	154,173	—	154,173	—	23,422	—	—	—
Motor Fuel Tax	239,401	1,534	237,867	—	—	—	—	—
Tennessee Valley Authority	80,128	—	80,128	—	—	—	—	—
Leasing/Renting Personal Property	91,707	—	91,707	—	91,707	—	—	—
Production Privilege Tax	29,538	—	29,538	—	21,847	—	—	—
Financial Institutions Excise Tax	184,335	—	184,335	—	90,417	—	—	—
Documentary Filing Taxes	112,457	621	111,836	—	111,836	—	—	—
Coal Severance Tax	3,372	—	3,372	—	—	—	—	—
Forestry Severance Tax	5,858	291	5,567	—	—	—	—	—
Contractors Gross Receipts Tax	33,116	37	33,079	4,952	—	—	—	—
Lodgings Tax	87,406	47	87,359	—	63,100	—	—	—
Hydroelectric Companies	2,745	—	2745	—	—	—	1153	—
Lubricating Oil Tax	1,639	13	1,626	—	546	—	—	—
Pari-mutuel Betting	4,112	—	4,112	—	4,112	—	—	—
Court Cost Taxes	20,949	—	20,949	—	5,711	—	—	—
Medicaid Provider Taxes	432,794	224	432,570	—	—	—	—	—
Cellular Telephone Tax	20,663	—	20,663	—	11,209	—	7,855	—
Vapor Products	2,807	—	2,807	—	2,807	—	—	—
Miscellaneous Taxes	20,039	340	19,699	1	5,401	2	—	—
TOTAL TAXES	**13,389,898**	**172,870**	**13,217,028**	**262,097**	**2,087,422**	**215,339**	**8,643,148**	**0**
LICENSES AND FEES								
Conservation Licenses	38,530	0	38,530	0	0	0	0	0
Drivers Licenses and Fees	65,327	—	65,327	—	32,104	—	—	—
Petroleum Products Inspection Fee	58,935	—	58,935	—	—	—	—	—
Agricultural License and Fees	17,044	—	17,044	—	—	28	—	—
Wholesale Oil Company License	8,212	—	8,212	—	8,212	—	—	—
Motor Vehicle License	204,762	15,535	189,227	—	50,461	—	—	—
Privilege License	136,608	2,504	134,104	—	29,743	—	92	—
Court Fees	70,559	—	70,559	—	40,890	—	9	—
Alcoholic Beverage Licenses	2,595	—	2,595	—	2,595	—	—	—
Insurance Corp Licenses and Fees	1,398	—	1,398	—	637	—	—	—
Miscellaneous License and Fees	336,018	861	335,157	359	13,079	—	27	—
TOTAL LICENSES AND FEES	**939,988**	**18,900**	**921,088**	**359**	**177,721**	**28**	**128**	**0**
FINES AND FORFEITS								
Court Fines and Forfeits	21,811	0	21,811	0	13,317	0	0	0
Tobacco Settlement	115,905	—	115,905	—	22	—	—	—
Miscellaneous Fines and Forfeits	113,485	—	113,485	31	944	—	—	—
TOTAL FINES AND FORFEITS	**251,201**	**0**	**251,201**	**31**	**14,283**	**0**	**0**	**0**
INVESTMENT INCOME	**26,057**	**0**	**26,057**	**0**	**19,643**	**0**	**0**	**84**
FEDERAL REVENUES	**13,898,260**	**—**	**13,898,260**	**2,681,852**	**—**	**—**	**—**	**—**
MEDICAID CPE/IGT REVENUES	331,373	—	331,373	—	—	—	—	—
MISCELLANEOUS REVENUES	786,422	7,988	778,434	15,581	362	3	435	32,765
TOTAL REVENUES	**$29,623,199**	**$ 199,758**	**$29,423,441**	**$ 2,959,920**	**$2,299,431**	**$215,370**	**$ 8,643,711**	**$ 32,849**

Distributed To Local Government	Debt Service Funds	Medicaid	Transportation Department	Health General & Mental	Education Department	Economic & Community Affairs	Other	Distribution of Other Amounts
$ 7,153	$195,139	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,001	State Parks
—	—	—	—	—	—	—	1,014	Conservation Dept.
—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
249,514	—	—	224,258	—	—	—	146,739	Rebuild Ala Fund 96M, Conservation 2.7M, AHFC 9M
—	—	—	—	14,600	—	—	—	
—	—	—	—	4,525	—	—	1013	Insurance Dept
—	—	—	—	27,103	—	—	—	
1366	1,711	—	—	6,435	—	—	2,334	State Parks
40,094	—	—	—	—	—	—	8	Secretary of State
5,861	—	—	—	—	—	—	—	
—	—	—	—	130,751	—	—	—	
25,206	—	—	165,495	—	—	—	47,166	Rebuild Ala Fund 31M
66,506	—	—	—	—	—	—	13,622	Incentives Fin Auth
—	—	—	—	—	—	—	—	
7,691	—	—	—	—	—	—	—	
93,918	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
2,010	—	—	—	—	—	—	1,362	Docks Facilities Fund
—	—	—	—	—	—	—	5,567	Forestry
—	—	—	—	28,127	—	—	—	
3,226	—	—	—	—	—	—	21,033	Tourism
—	—	—	—	1592	—	—	—	
594	—	—	486	—	—	—	—	
—	—	—	—	—	—	—	—	
—	—	—	—	—	2,116	—	13,122	Fair Trial Fd 10M, ACCS 1M
—	—	432,570	—	—	—	—	—	
—	1,599	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	
—	—	—	25	—	—	—	14,270	Labor 4.4M; ADEM 8M
503,239	**198,449**	**432,570**	**390,264**	**213,133**	**2,116**	**0**	**269,251**	
0	0	0	0	0	0	0	38,530	Conservation 29M, ALEA 6M
1,633	—	—	—	—	—	—	31,590	ALEA
9,654	—	—	43,924	—	—	—	5,357	Agriculture
—	—	—	—	90	—	—	16,926	Agriculture
—	—	—	—	—	—	—	—	
26,664	—	—	106,050	—	—	—	6,052	Corrections 3.3M
—	—	—	4,437	4,231	872	2,295	92,434	Prof Occup Bds 36M; ADEM 4.7M; Insurance 22M
—	—	—	—	83	—	—	29,577	AOC 16; DFS 6.6M
—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	761	Insurance Dept
182	—	17	1,551	170,575	—	141	149,226	ADEM 62M; Finance 7M; Parole 9M;Bank 17M; PSC 16M
38,133	**0**	**17**	**155,962**	**174,979**	**872**	**2,436**	**370,453**	
0	0	0	0	76	0	1,397	7,021	DOC 1.6M; DFS 1.8M
—	—	—	—	—	—	—	115,883	21st Century Fund
1	—	435	—	—	—	6,938	105,136	AL Econ Settle Auth 53M; ALEA 4M; Atty Gen 3M
1	**0**	**435**	**0**	**76**	**0**	**8,335**	**228,040**	
0	**120**	**9**	**110**	**0**	**0**	**192**	**5,899**	Finance 2M; Snr Svc Trst 1M; FAHFA 1M
1,824	**13,329**	**5,914,892**	**960,070**	**501,708**	**1,311,502**	**184,160**	**2,328,923**	CRF 1.786B; DRS 76M; Mil 54M; DOT 34M; Sen Svcs 32M
—	—	331,373	—	—	—	—	—	
—	23,653	184,170	255,081	20,706	6,744	4,664	234,270	Cons 108M; Uncl Prop 66M; Sen Svcs 27M; AOC 16M
$ 543,197	**$235,551**	**$6,863,466**	**$ 1,761,487**	**$ 910,602**	**$ 1,321,234**	**$ 199,787**	**$3,436,836**	

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

Nonmajor Enterprise Funds

Nonmajor Enterprise Funds are used to account for the operations of State funds that provide goods and services to external users in a manner similar to private business enterprises. The cost of providing the goods or services are recovered primarily through user charges.

State Insurance Fund
Accounts for resources used to provide insurance coverage for State buildings, school buildings, and their contents.

Fire College and Personnel Standards Commission
Develops and delivers training courses and administers the process of fire service certification in the State.

Motor Sports Hall Of Fame
Operates a public exhibit displaying the history of automotive racing and other motor sports.

Corrections Canteen
Accounts for the activity of the canteen funds of the Department of Corrections.

Military Department
Accounts for the Military Department's billeting activity and the canteen funds for the National Guard.

COMBINING STATEMENT OF NET POSITION
Nonmajor Enterprise Funds

September 30, 2021
(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	$ 10,221	$ 3,173	$ 122	$ 928
Investments, Short-term	11,084	5,455	—	—
Due From Other Funds	1,433	—	—	—
Due From Component Units	10	—	—	—
Accounts Receivable	9,847	1,553	—	244
Inventory	—	130	—	1,486
Other Current Assets	23,618	—	—	—
Total Current Assets	**56,213**	**10,311**	**122**	**2,658**
Non current Assets				
Investments, Long-term	119,716	0	0	0
Due From Other Funds	4,083	—	—	—
Other Noncurrent Assets	—	24	15	—
Capital Assets, Net of Accumulated Depreciation	—	9,081	209	—
Capital Assets Not Depreciated	—	—	2,630	—
Total Non current Assets	**123,799**	**9,105**	**2,854**	**0**
TOTAL ASSETS	**180,012**	**19,416**	**2,976**	**2,658**
DEFERRED OUTFLOWS OF RESOURCES	**0**	**2,247**	**12**	**0**
LIABILITIES				
Current Liabilities				
Warrants Payable	84	0	0	0
Due To Other Funds	36	—	—	1,269
Accounts Payable	4,857	708	18	414
Due To Other Governments	2	—	—	—
Claims Payable	49,550	—	—	—
Unearned Revenue	—	168	—	—
Compensated Absences	—	10	—	—
Total Current Liabilities	**54,529**	**886**	**18**	**1,683**
Non current Liabilities				
Claims Payable	151	0	0	0
Compensated Absences	—	356	—	—
Net OPEB Liability	—	1,957	31	—
Net Pension Liability	—	4,879	—	—
Notes and Capital Leases Payable	—	—	826	—
Total Non current Liabilities	**151**	**7,192**	**857**	**0**
TOTAL LIABILITIES	**54,680**	**8,078**	**875**	**1,683**
DEFERRED INFLOWS OF RESOURCES	**0**	**1,613**	**60**	**0**
NET POSITION				
Net Investment in Capital Assets	0	9,081	2,013	0
Restricted for:				
Education	—	2,891	—	—
Unrestricted	125,332	—	40	975
TOTAL NET POSITION	**$ 125,332**	**$ 11,972**	**$ 2,053**	**$ 975**

Military Department	Totals
$ 1,608	$ 16,052
—	16,539
—	1,433
—	10
4	11,648
20	1,636
—	23,618
1,632	**70,936**
0	119,716
—	4,083
—	39
1,836	11,126
—	2,630
1,836	**137,594**
3,468	**208,530**
87	**2,346**
0	84
1	1,306
46	6,043
2	4
—	49,550
—	168
2	12
51	**57,167**
0	151
27	383
157	2,145
302	5,181
—	826
486	**8,686**
537	**65,853**
302	**1,975**
1,836	12,930
—	2,891
880	127,227
$ 2,716	**$ 143,048**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2021

(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	$ 3,422	$ 108	$ 31,906
Premiums and Contributions	64,415	—	—	—
Rents and Leases	—	—	54	—
Total Revenues	**64,415**	**3,422**	**162**	**31,906**
OPERATING EXPENSES				
Salaries, Wages, and Benefits	0	5,524	57	0
Utilities and Communications	—	107	—	—
Professional Services	5,363	—	4	—
Supplies, Materials, and Operating Expense	47,070	3,026	218	18,255
Depreciation	—	773	45	—
Claims and Benefits	40,652	—	—	—
Other	—	—	10	—
Total Operating Expenses	**93,085**	**9,430**	**334**	**18,255**
Operating Income (Loss)	**(28,670)**	**(6,008)**	**(172)**	**13,651**
NONOPERATING REVENUES (EXPENSES)				
Investment Income	12,798	105	0	0
Other Nonoperating Revenues	1	22	295	—
Grants	—	2,096	—	—
Interest Expense	—	—	(48)	—
Other Nonoperating Expenses	(653)	—	—	—
Total Nonoperating Revenues (Expenses)	**12,146**	**2,223**	**247**	**0**
Income (Loss) Before Contributions and Transfers	**(16,524)**	**(3,785)**	**75**	**13,651**
Transfers In	26	5,548	0	0
Transfers Out	—	—	—	(14,162)
Increase (Decrease) in Net Position	**(16,498)**	**1,763**	**75**	**(511)**
Total Net Position, October 1, 2020, as Restated	141,830	10,209	1,978	1,486
Total Net Position, September 30, 2021	**$ 125,332**	**$ 11,972**	**$ 2,053**	**$ 975**

Military Department	Totals
$ 5,243	$ 40,679
—	64,415
1,230	1,284
6,473	**106,378**
378	5,959
67	174
44	5,411
6,142	74,711
134	952
—	40,652
11	21
6,776	**127,880**
(303)	**(21,502)**
0	12,903
(1)	317
—	2,096
—	(48)
—	(653)
(1)	**14,615**
(304)	**(6,887)**
0	5,574
(4)	(14,166)
(308)	**(15,479)**
3,024	158,527
$ 2,716	**$ 143,048**

STATE OF ALABAMA

COMBINING STATEMENT OF CASH FLOWS

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2021

(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	$ 68,040	$ 2,699	$ 403	$ 31,906
Receipts from Interfund Services	9,161	—	—	—
Receipts from Operating Grants	—	1,419	—	—
Receipts from Interfund Reimbursements	—	—	—	—
Receipts from Other Operating Activities	2,404	852	54	248
Payments for Goods Held for Resale	—	—	(9)	(19,469)
Payments for Other Goods & Services	(50,058)	(3,305)	(222)	—
Payments for Employees Services	—	(5,284)	(76)	—
Payments for Other Operating Activities	(25)	—	(2)	—
Payments for Claims	(33,780)	—	—	—
Net Cash Provided by (Used In) Operating Activities	**(4,258)**	**(3,619)**	**148**	**12,685**
Cash Flows from Noncapital Financing Activities:				
Receipts from Noncapital Financing Grants & Donations	0	22	0	0
Transfers from Other Funds for Noncapital Financing	26	5,548	—	26
Transfers to Other Funds for Noncapital Financing	(3,919)	—	—	(12,774)
Net Cash Provided By (Used In) Noncapital Financing Activities	**(3,893)**	**5,570**	**0**	**(12,748)**
Cash Flows from Capital & Related Financing Activities:				
Payments to Acquire, Construct, & Improve Capital Assets	—	(1,460)	(44)	—
Principal Paid on Revenue Bonds & Other Capital Debt	—	—	(114)	—
Interest Paid on Revenue Bonds & Other Capital Debt	—	—	(48)	—
Net Cash Provided by (Used in) Capital and Related Financing Activities	**0**	**(1,460)**	**(206)**	**0**
Cash Flows From Investing Activities				
Receipts from Sales & Maturities of Investments	24,282	0	0	0
Receipts from Interest & Dividends on Investments & Loans	988	105	—	—
Purchase of Investments	(9,404)	(96)	—	—
Net Cash Provided By (Used In) Investing Activities	**15,866**	**9**	**0**	**0**
Net Increase (Decrease) In Cash and Cash Equivalents	**7,715**	**500**	**(58)**	**(63)**
Cash Balance as Restated, October 1, 2020	2,422	2,673	179	991
Cash Balance, September 30, 2021	**10,137**	**3,173**	**121**	**928**
Add: Warrants Payable	84	—	—	—
Cash and Cash Equivalents, as Reported on Statement of Net Position	**$ 10,221**	**$ 3,173**	**$ 121**	**$ 928**

Military Department	Totals
$ 6,619	$ 109,667
—	9,161
—	1,419
—	3,558
—	(19,478)
(6,249)	(59,834)
(447)	(5,807)
(30)	(30)
—	(27)
—	(33,780)
(107)	**4,849**
0	22
—	5,600
(4)	(16,697)
(4)	**(11,075)**
(546)	(2,050)
—	(114)
—	(48)
(546)	**(2,212)**
0	24,282
—	1,093
—	(9,500)
0	**15,875**
(657)	**7,437**
2,265	8,530
1,608	**15,967**
—	84
$ 1,608	**$ 16,051**

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS (Continued from Previous Page)

Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2021

(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)	**$ (28,670)**	**$ (6,008)**	**$ (172)**	**$ 13,651**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Due from Other Funds	1,247	0	0	0
Accounts Receivable	(3,711)	(557)	—	(40)
Inventory	—	—	—	364
Other Assets	(1,547)	—	(2)	—
Deferred Outflows of Resources	—	(1,025)	(2)	—
Due to Other Funds	3,955	—	—	—
Accounts Payable	4,587	(58)	—	—
Claims Payable	20,501	—	—	—
Unearned Revenue	—	9	—	—
Compensated Absences	—	—	—	—
Net Pension Liability	—	829	—	—
Net OPEB Liability	—	717	(26)	—
Deferred Inflows of Resources	—	(395)	9	—
Depreciation	—	773	45	—
Nonoperating Revenues	31	2,097	296	—
Nonoperating Expenses	(651)	—	—	(1,290)
Total Adjustments	**24,412**	**2,390**	**320**	**(966)**
Net Cash Provided (Used) by Operating Activities	**$ (4,258)**	**$ (3,618)**	**$ 148**	**$ 12,685**
Noncash Investing, Capital, and Financing Activities				
Increase (Decrease):				
Disposals and Other Reductions to Capital Assets	0	(82)	0	0
Capital Assets Acquired on Account	—	—	—	—
Interest Accruals and Other Adjustments	2,196	—	—	—
Unrealized Gains (Losses) in Investment Fair Value	6,894	—	—	—
Transfers In (Out)	3,919	—	—	—

Military Department	Totals
$ (303)	**$ (21,502)**
0	1,247
—	(4,308)
(145)	219
—	(1,549)
(16)	(1,043)
—	3,955
(17)	4,512
—	20,501
—	9
4	4
33	862
(121)	570
33	(353)
134	952
—	2,424
291	(1,650)
196	**26,352**
$ (107)	**$ 4,850**
0	(82)
1	1
—	2,196
—	6,894
—	3,919

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

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.

COMBINING STATEMENT OF NET POSITION
Internal Service Funds

September 30, 2021

(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 15,932	$ 1,081	$ 7,666	$ 37,275	$ 4,744
Investments, Short-term	—	—	—	—	16,286
Due From Other Funds	6,814	349	948	1,291	204
Due From Component Units	36	12	3	8	—
Accounts Receivable	112	33	1	7	508
Inventory	—	388	4,860	—	—
Total Current Assets	**22,894**	**1,863**	**13,478**	**38,581**	**21,742**
Noncurrent Assets					
Investments, Long-term	0	0	0	0	162,140
Capital Assets, Net of Accumulated Depreciation	9,454	666	1,735	65,345	361
Capital Assets Not Depreciated	—	—	544	6,957	—
Total Noncurrent Assets	**9,454**	**666**	**2,279**	**72,302**	**162,501**
TOTAL ASSETS	**32,348**	**2,529**	**15,757**	**110,883**	**184,243**
DEFERRED OUTFLOWS OF RESOURCES	**3,815**	**362**	**1,240**	**1,674**	**1,766**
LIABILITIES					
Current Liabilities					
Warrants Payable	2,378	1	21	0	89
Due To Other Funds	325	31	44	157	505
Due To Component Units	—	—	—	—	368
Accounts Payable	3,720	77	1,148	2,923	1,464
Due To Other Governments	—	—	6	42	—
Claims Payable	—	—	—	—	3,441
Unearned Revenue	59	—	—	—	—
Funds Held in Escrow	—	—	—	—	198
Compensated Absences	132	6	53	36	47
Notes and Capital Leases Payable	4,379	—	—	—	—
Revenue Bonds Payable	—	—	—	2,280	—
Total Current Liabilities	**10,993**	**115**	**1,272**	**5,438**	**6,112**
Noncurrent Liabilities					
Claims Payable	0	0	0	0	119,999
Compensated Absences	1,419	60	567	388	505
Net OPEB Liability	3,764	624	1,701	2,197	2,024
Net Pension Liability	18,770	1,315	5,271	5,567	8,200
Revenue Bonds Payable	—	—	—	5,314	—
Total Noncurrent Liabilities	**23,953**	**1,999**	**7,539**	**13,466**	**130,728**
TOTAL LIABILITIES	**34,946**	**2,114**	**8,811**	**18,904**	**136,840**
DEFERRED INFLOWS OF RESOURCES	**7,236**	**1,198**	**3,268**	**4,220**	**3,890**
NET POSITION					
Net Investment in Capital Assets	5,075	666	2,279	64,968	361
Transportation	—	—	—	—	—
Unrestricted	(11,094)	(1,086)	2,638	24,465	44,918
TOTAL NET POSITION	**$ (6,019)**	**$ (420)**	**$ 4,917**	**$ 89,433**	**$ 45,279**

State Motor Pool	Other Internal Service Funds	Totals
$ 85	$ 31,157	$ 97,940
—	—	16,286
297	3,437	13,340
3	23	85
1	39	701
—	—	5,248
386	**34,656**	**133,600**
0	0	162,140
374	6,357	84,292
—	—	7,501
374	**6,357**	**253,933**
760	**41,013**	**387,533**
251	**4,201**	**13,309**
3	0	2,492
61	372	1,495
—	—	368
97	2,779	12,208
1	—	49
—	—	3,441
—	—	59
—	—	198
—	164	438
—	—	4,379
—	—	2,280
162	**3,315**	**27,407**
0	0	119,999
—	1,763	4,702
340	4,319	14,969
1,077	20,366	60,566
—	—	5,314
1,417	**26,448**	**205,550**
1,579	**29,763**	**232,957**
653	**8,302**	**28,767**
374	6,357	80,080
—	—	—
(1,595)	792	59,038
$ (1,221)	**$ 7,149**	**$ 139,118**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Internal Service Funds

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
OPERATING REVENUES					
Charges for Goods and Services	$ 57,249	$ 7,982	$ 9,826	$ 1,431	$ 4,253
Premiums and Contributions	—	—	—	—	24,710
Rents and Leases	—	—	—	18,155	—
Total Operating Revenues	**57,249**	**7,982**	**9,826**	**19,586**	**28,963**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	10,507	548	3,306	4,105	5,275
Utilities and Communications	13,510	101	803	3,520	61
Professional Services	9,821	272	185	2,716	6,733
Supplies, Materials, and Operating Expense	6,981	6,405	9,743	1,873	552
Interest	238	—	—	—	—
Depreciation	2,460	150	210	3,844	80
Claims and Benefits	—	—	—	—	22,130
Other	3,022	310	578	2,572	153
Total Operating Expenses	**46,539**	**7,786**	**14,825**	**18,630**	**34,984**
Operating Income (Loss)	**10,710**	**196**	**(4,999)**	**956**	**(6,021)**
NONOPERATING REVENUES (EXPENSES)					
Investment Income	0	0	6	0	10,842
Other Nonoperating Revenues	8	2	87	123	4
Interest Expense	—	—	—	(299)	—
Other Nonoperating Expenses	(1,788)	(84)	—	(71)	(518)
Total Nonoperating Revenues (Expenses)	**(1,780)**	**(82)**	**93**	**(247)**	**10,328**
Income (Loss) Before Contributions and Transfers	**8,930**	**114**	**(4,906)**	**709**	**4,307**
Capital Contributions	51	—	—	3	—
Transfers In	5,441	—	4,168	4,455	4,408
Transfers Out	(51)	(8)	(32)	(2,606)	(4,433)
Increase (Decrease) in Net Position	**14,371**	**106**	**(770)**	**2,561**	**4,282**
Total Net Position, October 1, 2020, as Restated	(20,390)	(526)	5,687	86,872	40,997
Total Net Position, September 30, 2021	**$ (6,019)**	**$ (420)**	**$ 4,917**	**$ 89,433**	**$ 45,279**

State Motor Pool	Other Internal Service Funds	Totals
$ 653	$ 33,010	$ 114,404
—	—	24,710
—	—	18,155
653	**33,010**	**157,269**
443	12,456	36,640
34	291	18,320
2	12,921	32,650
84	1,765	27,403
—	—	238
170	127	7,041
—	—	22,130
607	1,751	8,993
1,340	**29,311**	**153,415**
(687)	**3,699**	**3,854**
0	0	10,848
281	1,905	2,410
—	—	(299)
—	(89)	(2,550)
281	**1,816**	**10,409**
(406)	**5,515**	**14,263**
0	5	59
196	2,454	21,122
—	(55)	(7,185)
(210)	**7,919**	**28,259**
(1,011)	(770)	110,859
$ (1,221)	**$ 7,149**	**$ 139,118**

COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the Fiscal Year Ended September 30, 2021

(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	$ 738	$ 6	$ 1,055	$ 38	$ 393
Receipts from Interfund Services	56,516	8,795	9,276	19,194	24,868
Receipts from Other Operating Activities	1	—	31	—	111
Payments for Goods Held for Resale	(1,468)	(6,122)	(9,438)	—	—
Payments for Other Goods & Services	(41,613)	(449)	(2,106)	(7,919)	(5,590)
Payments for Employees Services	(12,716)	(1,014)	(4,025)	(4,116)	(5,475)
Payments for Taxes, Fines, Penalties, & Similar Fees	(5)	—	—	—	—
Payments for Interfund Services	(2,846)	(496)	(382)	(1,586)	(2,367)
Payments for Other Operating Activities	(41)	(3)	(16)	(87)	(101)
Payments for Claims	—	—	—	—	(4,058)
Net Cash Provided by (Used In) Operating Activities	**(1,434)**	**717**	**(5,605)**	**5,524**	**7,781**
Cash Flows from Noncapital Financing Activities:					
Transfers from Other Funds for Noncapital Financing	5,441	0	4,156	4,454	8,327
Transfers to Other Funds for Noncapital Financing	(50)	(8)	(32)	(2,603)	(4,432)
Net Cash Provided By (Used In) Noncapital Financing Activities	**5,391**	**(8)**	**4,124**	**1,851**	**3,895**
Cash Flows from Capital & Related Financing Activities:					
Transfers from Other Funds for Capital Financing	0	0	0	0	0
Receipts from Sale of Capital Assets & Insurance Proceeds	6	2	28	22	4
Payments to Acquire, Construct, & Improve Capital Assets	(249)	(24)	(125)	(5,637)	(90)
Principal Paid on Revenue Bonds & Other Capital Debt	(4,262)	—	—	(2,195)	—
Interest Paid on Revenue Bonds & Other Capital Debt	(238)	—	—	(372)	—
Net Cash Provided by (Used in) Capital and Related Financing Activities	**(4,743)**	**(22)**	**(97)**	**(8,182)**	**(86)**
Cash Flows From Investing Activities					
Receipts from Sales & Maturities of Investments	0	0	0	0	12,904
Receipts from Interest & Dividends on Investments & Loans	—	—	6	—	93
Purchase of Investments	—	—	—	—	(25,028)
Net Cash Provided By (Used In) Investing Activities	**0**	**0**	**6**	**0**	**(12,031)**
Net Increase (Decrease) In Cash and Cash Equivalents	**(786)**	**687**	**(1,572)**	**(807)**	**(441)**
Cash Balance as Restated, October 1, 2020	14,340	392	9,217	38,082	5,096
Cash Balance, September 30, 2021	**13,554**	**1,079**	**7,645**	**37,275**	**4,655**
Add: Warrants Payable	2,378	1	21	—	89
Cash and Cash Equivalents, as Reported on Statement of Net Position	**$ 15,932**	**$ 1,080**	**$ 7,666**	**$ 37,275**	**$ 4,744**

State Motor Pool	Other Internal Service Funds	Totals
$ 158	$ 5,479	$ 7,867
998	27,079	146,726
167	154	464
—	(111)	(17,139)
(1,374)	(4,686)	(63,737)
(513)	(13,762)	(41,621)
—	—	(5)
(258)	(3,765)	(11,700)
(167)	(201)	(616)
—	—	(4,058)
(989)	**10,187**	**16,181**
0	2,450	24,828
—	(55)	(7,180)
0	**2,395**	**17,648**
0	3	3
559	3	624
—	(11,227)	(17,352)
—	—	(6,457)
—	—	(610)
559	**(11,221)**	**(23,792)**
0	0	12,904
—	—	99
—	—	(25,028)
0	**0**	**(12,025)**
(430)	**1,361**	**(1,988)**
512	29,796	97,435
82	**31,157**	**95,447**
3	—	2,492
$ 85	**$ 31,157**	**$ 97,939**

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS (Continued from Previous Page)
Internal Service Funds
For the Fiscal Year Ended September 30, 2021

(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)	**$ 10,710**	**$ 196**	**$ (4,999)**	**$ 956**	**$ (6,021)**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Due from Other Funds	41	820	475	(333)	(3,418)
Accounts Receivable	102	(3)	—	(3)	(12)
Inventory	—	80	(843)	—	—
Deferred Outflows of Resources	(1,012)	(56)	(293)	(391)	(518)
Due to Other Funds	(409)	(39)	29	(29)	14
Accounts Payable	(12,435)	(43)	169	1,119	(188)
Claims Payable	—	—	—	—	18,041
Unearned Revenue	33	—	—	—	—
Compensated Absences	(221)	(14)	22	39	61
Net Pension Liability	908	19	443	953	993
Net OPEB Liability	(2,739)	(501)	(1,265)	(1,396)	(1,350)
Deferred Inflows of Resources	878	108	387	737	602
Operating Interest Expense	238	—	—	372	—
Depreciation	2,460	150	210	3,844	80
Nonoperating Revenues	52	—	60	27	10
Nonoperating Expenses	(40)	—	—	(372)	(513)
Total Adjustments	**(12,144)**	**521**	**(606)**	**4,567**	**13,802**
Net Cash Provided (Used) by Operating Activities	**$ (1,434)**	**$ 717**	**$ (5,605)**	**$ 5,523**	**$ 7,781**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Capital Assets Acquired by Capital Contribution	51	0	0	3	0
Disposals and Other Reductions to Capital Assets	(16,822)	(727)	(49)	(106)	(54)
Capital Assets Acquired on Account	2	—	1	1,388	3
Capital Asset Reassignments	—	—	—	(1)	—
Revenue Bond Amortizations and Other Debt Adjustments	—	—	—	73	—
Interest Accruals and Other Adjustments	—	—	—	—	2,965
Unrealized Gains (Losses) in Investment Fair Value	—	—	—	—	7,797
Transfers In (Out)	1	—	—	2	3,919

State Motor Pool	Other Internal Service Funds	Totals
$ (687)	**$ 3,699**	**$ 3,854**
71	(469)	(2,813)
—	31	115
—	—	(763)
(45)	(1,195)	(3,510)
19	44	(371)
(273)	7,973	(3,678)
—	—	18,041
—	—	33
—	(35)	(148)
(19)	1,858	5,155
(278)	(3,070)	(10,599)
53	1,088	3,853
—	—	610
170	127	7,041
—	189	338
—	(74)	(999)
(302)	**6,488**	**12,326**
$ (989)	**$ 10,187**	**$ 16,180**
0	5	59
—	(125)	(17,883)
—	81	1,475
—	(4)	(5)
—	—	73
—	—	2,965
—	—	7,797
(196)	—	3,726

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

Pension and Other Employee Benefit Trust Funds

Pension and Other Employee Benefit Trust Funds include Pensions, OPEB and other employee benefit plans held in trust that meet GASB criteria in Statement Nos. 67, 74 and 84.

Employees' Retirement System
Accounts for a pension plan for the benefit of State employees, State police, and employees of other eligible governmental organizations such as cities and counties within the State.

Teachers' Retirement System
Accounts for a pension plan for the benefit of employees of State supported educational institutions.

Judicial Retirement Fund
Accounts for a pension plan for the benefit of judges of the State's Supreme Court, Court of Civil Appeals, Court of Criminal Appeals, and Circuit Court.

Peace Officers Annuity and Benefit
Provides pension benefits to State and local peace officers.

State Port Authority Hourly Plan
Is a retirement fund for certain hourly employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

State Port Authority Railway Plan
Is a retirement fund for certain employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

State Port Authority Hourly Defined Contribution
Is a defined contribution retirement plan for certain hourly employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

Alabama Deferred Compensation Fund
Accounts for resources contributed by State employees for a deferred compensation plan sponsored by the Personnel Board.

RSA Employee Savings Plans
Accounts for resources contributed by public employees for deferred compensation plans and individual retirement accounts sponsored by the Retirement Systems of Alabama.

Retired Education Employees' Health Care Trust
Provides post-employment health insurance benefits for retired employees of State supported educational institutions

Retired State Employees' Health Care Trust
Provides post-employment health insurance benefits for retired State employees.

Other Pension Funds
Accounts for small pension plans.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
Pension and Other Employee Benefit Trust Funds

September 30, 2021

(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	$ 32,629	$ 65,144	$ 3,587	$ 682	$ 0
Investments					
U.S. Treasury Securities	415,400	819,782	19,492	5,545	3,958
U.S. Agency Securities	70,190	135,233	3,053	506	591
State and Local Government Securities	—	—	—	—	—
Mortgage Backed Securities	341,368	659,230	16,712	—	3,177
Corporate Stocks	8,851,872	17,565,017	196,181	—	3,602
Corporate Bonds	988,328	1,955,690	37,238	6,350	8,747
Real Estate	1,408,756	2,757,252	7,540	—	—
Commercial Paper	709,607	1,197,483	12,999	—	404
International Stocks	2,316,334	4,576,563	55,706	—	—
Guaranteed Investment Contracts	—	—	—	—	—
Mutual and Money Market Funds	253,073	506,266	11,570	20,871	1,243
Receivables					
Due From Other Funds	—	—	—	16	—
Employer Contributions Receivable	28,922	83,814	655	—	—
Member Contributions Receivable	14,510	48,920	167	—	—
Investment Sales Receivable	40,873	147,033	—	—	—
Accounts Receivable	34,923	67,607	886	83	95
Due From Other Governments	18	77	—	—	—
Mortgages, Notes, and Loans Receivable	—	—	—	—	—
Securities Lending Collateral	421,801	1,095,386	3,965	—	1,578
Other Assets	—	—	—	—	—
Capital Assets, Net of Accumulated Depreciation	40,548	91,234	—	45	—
Capital Assets not Depreciated	2,535	5,085	—	—	—
TOTAL ASSETS	**15,971,687**	**31,776,816**	**369,751**	**34,098**	**23,395**
Deferred Outflows Of Resources	**3,805**	**10,194**	**74**	**108**	**0**
LIABILITIES					
Warrants Payable	0	0	0	60	0
Investment Purchases Payable	40,569	75,509	—	—	—
Due To Other Funds	—	—	—	4	—
Accounts Payable	2,548	4,128	46	54	—
Due To Other Governments	—	—	—	—	—
Claims Payable	—	—	—	—	—
Securities Lending Obligation	421,801	1,095,386	3,965	—	1,578
Unearned Revenue	—	—	—	—	—
Compensated Absences	2,252	4,728	40	113	—
Net OPEB Liability	3,732	5,705	31	93	—
Net Pension Liability	17,674	28,764	358	555	—
Notes and Mortgages Payable	—	—	—	—	—
TOTAL LIABILITIES	**488,576**	**1,214,220**	**4,440**	**879**	**1,578**
Deferred Inflows Of Resources	**7,440**	**10,860**	**57**	**178**	**0**
NET POSITION					
Restricted for:					
Pensions	15,479,476	30,561,930	365,328	33,149	21,817
OPEB	—	—	—	—	—
Other Purposes	—	—	—	—	—
TOTAL NET POSITION	**$ 15,479,476**	**$ 30,561,930**	**$ 365,328**	**$ 33,149**	**$ 21,817**

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	$ 1,284	$ 103,326
250	—	—	351,081	112,657	14,527	—	1,742,692
37	—	—	49,986	17,794	2,165	—	279,555
—	—	—	—	—	48	—	48
201	—	—	271,545	92,521	11,952	—	1,396,706
228	804	—	1,250,434	1,106,334	148,908	228	29,123,608
553	341	96,819	574,463	205,434	26,234	133	3,900,330
—	—	—	—	—	—	—	4,173,548
26	—	—	27,694	21,520	3,950	—	1,973,683
—	—	61,557	—	276,858	26,185	—	7,313,203
—	—	206,414	—	—	—	—	206,414
79	13,831	376,557	158,742	106,254	13,432	124	1,462,042
—	—	—	—	—	—	—	16
—	—	—	—	—	—	—	113,391
—	—	—	—	—	—	—	63,597
—	—	—	—	—	—	—	187,906
5	—	—	8,240	5,187	14,068	40	131,134
—	—	—	5	—	—	—	100
—	—	7,750	—	—	—	—	7,750
130	—	—	51,024	50,871	121,594	—	1,746,349
—	—	—	—	1,103	—	—	1,103
—	—	—	—	—	—	—	131,827
—	—	—	—	—	—	—	7,620
1,509	**14,976**	**749,097**	**2,743,214**	**1,996,533**	**383,063**	**1,809**	**54,065,948**
0	**0**	**0**	**0**	**0**	**0**	**0**	**14,181**
0	0	0	0	0	0	0	60
—	—	—	—	—	—	—	116,078
—	—	—	—	—	—	—	4
—	—	—	—	—	51	26	6,853
—	—	—	—	52	—	—	52
—	—	—	—	23,511	10,200	—	33,711
130	—	—	51,024	50,871	121,594	—	1,746,349
—	—	—	—	—	3,075	—	3,075
—	—	—	—	—	—	—	7,133
—	—	—	—	—	—	—	9,561
—	—	—	—	—	—	—	47,351
—	—	—	—	—	—	1,000	1,000
130	**0**	**0**	**51,024**	**74,434**	**134,920**	**1,026**	**1,971,227**
0	**0**	**0**	**0**	**0**	**0**	**0**	**18,535**
1,379	14,976	(659,760)	—	—	42,413	783	45,861,491
—	—	—	—	1,922,099	205,730	—	2,127,829
—	—	1,408,857	2,692,190	—	—	—	4,101,047
$ 1,379	**$ 14,976**	**$ 749,097**	**$ 2,692,190**	**$ 1,922,099**	**$ 248,143**	**$ 783**	**$ 52,090,367**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended September 30, 2021

(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	$ 287,835	$ 525,755	$ 4,272	$ 621	$ 0
Employer	516,402	874,401	18,260	5,393	1,503
Other Contributions	—	—	—	—	—
Federal On-Behalf	—	—	—	—	—
Total Contributions	804,237	1,400,156	22,532	6,014	1,503
Investment Earnings					
Investment Interest and Dividends	302,802	576,552	6,689	551	582
Net Increase (Decrease) in Fair Value of Investments	2,558,276	5,155,012	56,970	4,222	333
Securities Lending Income	5,685	11,019	106	—	6
Total Investment Earnings	2,866,763	5,742,583	63,765	4,773	921
Less:					
Investment Expense	4,270	11,201	—	—	—
Securities Lending Interest and Fees	1,812	3,553	34	—	2
Net Investment Income	2,860,681	5,727,829	63,731	4,773	919
Other Additions					
Interest from Mortgages and Loans Receivable	—	—	—	—	—
Miscellaneous	3,881	5,491	9	—	—
Total Other Additions	3,881	5,491	9	0	0
Total Additions	**3,668,799**	**7,133,476**	**86,272**	**10,787**	**2,422**
DEDUCTIONS					
Benefit Payments and Refunds	1,325,365	2,488,399	39,126	5,308	1,504
Administrative Expense	14,496	29,536	376	503	—
Total Deductions	**1,339,861**	**2,517,935**	**39,502**	**5,811**	**1,504**
Change in Net Position	**2,328,938**	**4,615,541**	**46,770**	**4,976**	**918**
Net Position, October 1, 2020, as Restated	13,150,538	25,946,389	318,558	28,173	20,899
Net Position, September 30, 2021	**$ 15,479,476**	**$ 30,561,930**	**$ 365,328**	**$ 33,149**	**$ 21,817**

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	$ 762	$ 36,306	$ 80,690	$ 141,785	$ 39,587	$ 13,913	$ 1,131,526
144	1,015	—	—	172,677	58,941	9	1,648,745
—	—	—	—	—	—	4,777	4,777
—	—	—	—	439	—	—	439
144	1,777	36,306	80,690	314,901	98,528	18,699	2,785,487
37	2,346	24,988	55,175	33,207	—	4	1,002,933
21	—	77,818	231,533	292,149	40,991	27	8,417,352
—	—	—	531	463	328	—	18,138
58	2,346	102,806	287,239	325,819	41,319	31	9,438,423
—	—	1,075	—	—	—	—	16,546
—	—	—	192	158	106	—	5,857
58	2,346	101,731	287,047	325,661	41,213	31	9,416,020
—	—	438	—	—	—	—	438
—	—	—	—	—	—	—	9,381
0	0	438	0	0	0	0	9,819
202	**4,123**	**138,475**	**367,737**	**640,562**	**139,741**	**18,730**	**12,211,326**
144	2,548	47,939	138,441	318,584	97,110	16,438	4,480,906
—	12	1,199	—	1,629	218	2,440	50,409
144	**2,560**	**49,138**	**138,441**	**320,213**	**97,328**	**18,878**	**4,531,315**
58	**1,563**	**89,337**	**229,296**	**320,349**	**42,413**	**(148)**	**7,680,011**
1,321	13,413	659,760	2,462,894	1,601,750	205,730	931	44,410,356
$ 1,379	**$ 14,976**	**$ 749,097**	**$ 2,692,190**	**$ 1,922,099**	**$ 248,143**	**$ 783**	**$ 52,090,367**

Private-Purpose Trust Funds

Private Purpose Trust Funds report all fiduciary activities that (a) are not required to be reported in pension and other employee benefit trust funds or investment trust funds and (b) are held in a trust that meet GASB Statement No. 84 criteria.

Prepaid Affordable College Tuition
Accounts for the operation of a prepaid college tuition plan for the benefit of individual citizens of Alabama.

Alabama College Education Savings Plan
Accounts for the operation of an individual college tuition savings plan.

Local Education Endowments
Accounts for the proceeds of several endowments donated by private citizens for the benefit of specific local school systems.

ABLE Trust Fund
Accounts for private funds to support individuals with disabilities.

COMBINING STATEMENT OF FIDUCIARY NET POSITION

Private-Purpose Trust Funds

September 30, 2021

(Amounts in Thousands)

	Prepaid Affordable College Tuition	Alabama College Education Savings Plan	Local Education Endowments	ABLE Trust Fund	Totals
ASSETS					
Cash and Cash Equivalents	$ 4,262	$ 6,200	$ 0	$ 505	$ 10,967
Investments					
U.S. Treasury Securities	12,083	—	1,074	—	13,157
U.S. Agency Securities	1,903	—	110	—	2,013
Mortgage Backed Securities	3,442	—	—	—	3,442
Corporate Stocks	—	—	8,736	—	8,736
Corporate Bonds	—	—	2,056	—	2,056
Real Estate	—	—	883	—	883
Commercial Paper	—	—	230	—	230
Mutual and Money Market Funds	68,814	2,387,388	940	165	2,457,307
Receivables					
Accounts Receivable	24	5,005	1	—	5,030
Securities Lending Collateral	—	—	621	—	621
TOTAL ASSETS	**90,528**	**2,398,593**	**14,651**	**670**	**2,504,442**
LIABILITIES					
Warrants Payable	190	0	0	0	190
Due To Other Funds	1	—	—	—	1
Accounts Payable	7,930	2,821	—	—	10,751
Securities Lending Obligation	—	—	620	—	620
Amounts Held in Custody for Others	—	2,493	—	—	2,493
Compensated Absences	5	7	—	—	12
TOTAL LIABILITIES	**8,126**	**5,321**	**620**	**0**	**14,067**
NET POSITION					
Restricted or Held in Trust for Beneficiaries	82,402	2,393,272	14,031	670	2,490,375
TOTAL NET POSITION	**$ 82,402**	**$ 2,393,272**	**$ 14,031**	**$ 670**	**$ 2,490,375**

STATE OF ALABAMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Private-Purpose Trust Funds

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	Prepaid Affordable College Tuition	Alabama College Education Savings Plan	Local Education Endowments	ABLE Trust Fund	Totals
ADDITIONS					
Contributions:					
Plan members	$ 335	$ 232,980	$ 0	$ 682	$ 233,997
Total Contributions	335	232,980	—	682	233,997
Investment Earnings					
Investment Interest and Dividends	167	46,927	386	—	47,480
Net Increase (Decrease) in Fair Value of Investments	(128)	310,376	1,697	—	311,945
Securities Lending Interest and Fees	—	—	17	—	17
Total Investment Earnings	39	357,303	2,100	0	359,442
Less:					
Securities Lending Interest and Fees	—	—	6	—	6
Net Investment Income	39	357,303	2,094	0	359,436
Other Additions					
Miscellaneous	100	—	—	—	100
Transfer In	31,882	—	—	—	31,882
Total Other Additions	31,982	0	0	0	31,982
Total Additions	**32,356**	**590,283**	**2,094**	**682**	**625,415**
DEDUCTIONS					
Benefit Payments and Refunds	42,923	181,825	0	2,175	226,923
Administrative Expense	966	9,115	—	—	10,081
Transfers Out	—	680	289	—	969
Total Deductions	**43,889**	**191,620**	**289**	**2,175**	**237,973**
Change in Net Position	**(11,533)**	**398,663**	**1,805**	**(1,493)**	**387,442**
Net Position, October 1, 2020, as Restated	93,935	1,994,609	12,226	2,163	2,102,933
Net Position, September 30, 2021	**$ 82,402**	**$ 2,393,272**	**$ 14,031**	**$ 670**	**$ 2,490,375**

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

Custodial Funds

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

Custodial Taxes
Accounts for local taxes which are collected by the State as a service for local governments. These taxes do not represent future revenues of the State.

Other Custodial
Miscellaneous custodial amounts for individuals, organizations and other governments.

STATE OF ALABAMA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

Custodial Funds

September 30, 2021

(Amounts in Thousands)

	Custodial Taxes	Other Custodial	Totals
ASSETS			
Cash and Cash Equivalents	$ 7,820	$ 170,819	$ 178,639
Investments			
Time Deposits	—	676	676
U.S. Treasury Securities	—	37,565	37,565
State and Local Government Securities	—	6,315	6,315
Mortgage Backed Securities	—	3,030	3,030
Corporate Bonds	—	4,033	4,033
International Bonds	—	15	15
Mutual and Money Market Funds	—	235	235
Other	—	83	83
Receivables			
Due From Other Funds	1	—	1
TOTAL ASSETS	**7,821**	**222,771**	**230,592**
LIABILITIES			
Warrants Payable	540	1,266	1,806
Accounts Payable	—	51,219	51,219
Due to Other Governments	7,264	43	7,307
TOTAL LIABILITIES	**7,804**	**52,528**	**60,332**
NET POSITION			
Restricted for Individuals, Organizations, and Other Gov	17	170,243	170,260
TOTAL NET POSITION	**$ 17**	**$ 170,243**	**$ 170,260**

STATE OF ALABAMA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Custodial Funds

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	Custodial Taxes	Other Custodial	Totals
ADDITIONS			
Taxes Collected for Other Governments	$ 492,923	$ 0	$ 492,923
Miscellaneous	—	988,407	988,407
Total Additions	492,923	988,407	1,481,330
Investment Earnings			
Investment Interest and Dividends	—	574	574
Net Increase (Decrease) in Fair Value of Investments	—	(20)	(20)
Total Investment Earnings	0	554	554
Total Additions	**492,923**	**988,961**	**1,481,884**
DEDUCTIONS			
Benefit Payments and Refunds	0	981,652	981,652
Tax Payments to Other Governments	492,906	—	492,906
Administrative Expense	—	120	120
Total Deductions	**492,906**	**981,772**	**1,474,678**
Change in Net Position	**17**	**7,189**	**7,206**
Net Position, October 1, 2020, as Restated	0	163,054	163,054
Net Position, September 30, 2021	**$ 17**	**$ 170,243**	**$ 170,260**

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

Nonmajor 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, 2021

(Amounts in Thousands)

	Housing Finance Authority	Water Pollution Control Authority	Drinking Water Finance Authority	Troy University	Alabama State University
ASSETS					
Cash and Cash Equivalents	$ 33,540	$ 2,667	$ 5,102	$ 130,406	$ 62,605
Investments	612,254	236,610	107,284	201,280	124,135
Due From Primary Government	—	4,203	—	—	—
Accounts Receivable	17,612	1,304	774	40,155	21,077
Due From Other Governments	—	454,440	344,479	—	6,828
Mortgages, Notes, and Loans Receivable	471,120	—	—	342	—
Securities Lending Collateral	—	—	—	—	—
Inventory	—	—	—	70	4
Restricted Assets	—	—	—	—	—
Other Assets	50,405	2,493	8,752	3,499	646
Capital Assets, Net of Accumulated Depreciation	—	71	15	313,561	225,337
Capital Assets Not Depreciated	—	—	—	26,670	21,422
TOTAL ASSETS	**1,184,931**	**701,788**	**466,406**	**715,983**	**462,054**
DEFERRED OUTFLOWS OF RESOURCES	**4,181**	**0**	**149**	**96,648**	**54,027**
LIABILITIES					
Warrants Payable	0	0	0	0	0
Due To Primary Government	—	197	—	—	—
Accounts Payable	68,252	8	135	8,524	6,577
Due To Other Governments	—	138,297	110,027	—	—
Securities Lending Obligation	—	—	—	—	—
Unearned Revenue	7,762	—	—	35,198	14,619
Amounts Held in Custody for Others	669,363	55	—	2,369	—
Noncurrent Liabilities:					
Due Within One Year	806	—	2,510	8,144	5,556
Due In More than One Year	10,356	376	13,031	364,646	175,897
TOTAL LIABILITIES	**756,539**	**138,933**	**125,703**	**418,881**	**202,649**
DEFERRED INFLOWS OF RESOURCES	**1,102**	**0**	**0**	**69,136**	**35,960**
NET POSITION					
Net Investment in Capital Assets	0	71	15	187,902	194,912
Restricted for:					
Permanent - Expendable	—	—	—	76,342	1,254
Permanent - Non-expendable	—	—	—	27,815	65,444
Debt Service	617,760	562,784	340,837	—	—
Capital Projects	—	—	—	—	—
Other Purposes	—	—	—	670	75,512
Unrestricted	(186,289)	—	—	31,885	(59,650)
TOTAL NET POSITION	**$ 431,471**	**$ 562,855**	**$ 340,852**	**$ 324,614**	**$ 277,472**

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
$ 117,207	$ 65,114	$ 63,100	$ 13,246	$ 36,808	$ 24,536	$ 103,195	$ 657,526
38,047	48,836	82,064	72,357	11,202	142,864	60,327	1,737,260
—	—	—	—	—	1,464	219	5,886
13,097	25,046	7,833	8,935	10,985	15,531	16,597	178,946
—	—	—	—	—	514	93	806,354
2,968	1,699	1,615	118	62	1,000	381	479,305
—	—	—	—	—	13,408	403	13,811
—	—	14	—	—	—	9,046	9,134
—	—	—	3,076	—	—	1,209	4,285
12,652	10,847	12,842	8,149	274	783	4,257	115,599
141,185	236,552	161,173	75,334	54,512	1,000	120,627	1,329,367
58,299	71,686	$ 25,292	2,163	837	—	113,967	320,336
383,455	**459,780**	**353,933**	**183,378**	**114,680**	**201,100**	**430,321**	**5,657,809**
34,809	**53,774**	**60,781**	**35,505**	**30,921**	**1,663**	**61,784**	**434,242**
0	0	0	0	0	7	43	50
—	12,947	—	—	—	179	68	13,391
6,412	16,753	8,581	7,149	5,675	11,702	16,599	156,367
—	—	—	167	—	—	188	248,679
—	—	—	—	—	13,408	403	13,811
40,687	38,144	28,723	15,703	11,953	673	15,758	209,220
11,076	1,611	602	474	19	—	517	686,086
2,821	3,087	2,905	2,319	1,795	12,986	6,368	49,297
136,308	294,528	260,578	131,146	126,199	35,606	221,615	1,770,286
197,304	**367,070**	**301,389**	**156,958**	**145,641**	**74,561**	**261,559**	**3,147,187**
30,095	**33,898**	**33,096**	**24,980**	**15,590**	**3,539**	**64,015**	**311,411**
186,490	197,998	62,452	28,575	20,175	1,000	214,442	1,094,032
1,292	47,585	18,073	57,558	—	—	—	202,104
5,554	8,001	39,398	2,252	429	—	21,387	170,280
—	110	—	—	—	—	—	1,521,491
—	—	29,170	—	—	—	21	29,191
4,129	2,779	518	—	—	—	2,536	86,144
(6,600)	(143,887)	(69,382)	(51,440)	(36,234)	123,663	(71,855)	(469,789)
$ 190,865	**$ 112,586**	**$ 80,229**	**$ 36,945**	**$ (15,630)**	**$ 124,663**	**$ 166,531**	**$ 2,633,453**

COMBINING STATEMENT OF ACTIVITIES
Nonmajor Component Units
For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)	Housing Finance Authority	Water Pollution Control Authority	Drinking Water Finance Authority	Troy University	Alabama State University
Expenses	**$ 107,802**	**$ 10,416**	**$ 9,225**	**$ 265,029**	**$ 137,186**
Program Revenues					
Charges for Services	37,276	4,077	2,799	143,687	46,962
Operating Grants and Contributions	62,867	9,966	21,315	92,470	200,108
Capital Grants and Contributions	—	—	—	1,098	591
Total Program Revenues	**100,143**	**14,043**	**24,114**	**237,255**	**247,661**
Net (Expense) Revenue	**(7,659)**	**3,627**	**14,889**	**(27,774)**	**110,475**
General Revenues:					
Payments from State of Alabama	0	0	0	62,567	49,399
Unrestricted Investment Earnings	11,140	11,130	7,675	28,993	19,387
Miscellaneous	—	—	—	1,181	—
Contributions to Permanent Funds and Endowments	—	—	—	—	—
Total General Revenues and Contributions	**11,140**	**11,130**	**7,675**	**92,741**	**68,786**
Change in Net Position	**3,481**	**14,757**	**22,564**	**64,967**	**179,261**
Net Position, October 1, 2020, as Restated	427,990	548,098	318,288	259,647	98,211
Net Position, September 30, 2021	**$ 431,471**	**$ 562,855**	**$ 340,852**	**$ 324,614**	**$ 277,472**

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
$ 187,169	**$ 167,421**	**$ 139,953**	**$ 80,758**	**$ 85,551**	**$ 371,751**	**$ 226,622**	**$ 1,788,883**
78,862	71,045	72,017	34,929	48,970	361,020	87,282	988,926
196,449	49,781	42,428	23,979	22,223	—	50,020	771,606
2,158	—	1,149	1,520	—	—	1,550	8,066
277,469	**120,826**	**115,594**	**60,428**	**71,193**	**361,020**	**138,852**	**1,768,598**
90,300	**(46,595)**	**(24,359)**	**(20,330)**	**(14,358)**	**(10,731)**	**(87,770)**	**(20,285)**
47,269	46,653	36,903	22,863	19,965	957	112,095	398,671
623	4,236	8,498	9,333	71	644	4,819	106,549
—	268	44	—	1,675	1	1,633	4,802
—	—	196	—	—	—	—	196
47,892	**51,157**	**45,641**	**32,196**	**21,711**	**1,628**	**118,547**	**510,244**
138,192	**4,562**	**21,282**	**11,866**	**7,353**	**(9,103)**	**30,777**	**489,959**
52,673	108,024	58,947	25,079	(22,983)	133,766	135,754	2,143,494
$ 190,865	**$ 112,586**	**$ 80,229**	**$ 36,945**	**$ (15,630)**	**$ 124,663**	**$ 166,531**	**$ 2,633,453**

COMBINING STATEMENT OF NET POSITION
Other Nonmajor Component Units

September 30, 2021

(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	$ 6,989	$ 29,911	$ 23,754	$ 9,296	$ 10,665
Investments	18,008	16,404	14,681	803	—
Due From Primary Government	—	—	—	—	—
Accounts Receivable	75	10,480	1,740	1,142	3,140
Due From Other Governments	—	—	—	—	—
Mortgages, Notes, and Loans Receivable	—	—	—	318	—
Securities Lending Collateral	403	—	—	—	—
Inventory	195	7,046	29	1,396	130
Restricted Assets	—	1,209	—	—	—
Other Assets	—	966	2,228	762	—
Capital Assets, Net of Accumulated Depreciation	429	25,345	39,438	34,021	11,535
Capital Assets Not Depreciated	82,423	9,719	3,187	7,895	680
TOTAL ASSETS	**108,522**	**101,080**	**85,057**	**55,633**	**26,150**
DEFERRED OUTFLOWS OF RESOURCES	**1,264**	**37,057**	**13,952**	**2,764**	**4,246**
LIABILITIES					
Warrants Payable	29	0	0	0	0
Due To Primary Government	38	—	—	—	—
Accounts Payable	572	5,352	1,526	2,686	395
Due To Other Governments	168	—	—	—	—
Securities Lending Obligation	403	—	—	—	—
Unearned Revenue	—	296	5,607	6,181	3,674
Amounts Held in Custody for Others	—	283	—	—	234
Noncurrent Liabilities:					
Due Within One Year	51	609	1,549	547	1,361
Due in More Than One Year	7,743	119,186	53,524	14,995	16,214
TOTAL LIABILITIES	**9,004**	**125,726**	**62,206**	**24,409**	**21,878**
DEFERRED INFLOWS OF RESOURCES	**3,089**	**34,238**	**8,928**	**7,071**	**3,362**
NET POSITION					
Net Investment in Capital Assets	82,852	34,735	33,430	34,943	8,433
Restricted for:					
Permanent - Non-expendable	15,779	—	5,608	—	—
Capital Projects	—	—	—	—	21
Other Purposes	—	155	995	780	606
Unrestricted	(938)	(56,717)	(12,158)	(8,806)	(3,904)
TOTAL NET POSITION	**$ 97,693**	**$ (21,827)**	**$ 27,875**	**$ 26,917**	**$ 5,156**

Crime Victims Compensation Commission	Supercomputer Authority	U.S.S Alabama Battleship Commission	Historic Ironworks Commission	Red Mountain Recreation Commission	Miscellaneous Component Units	Totals
$ 498	$ 9,717	$ 8,198	$ 982	$ 23	$ 3,162	$ 103,195
5,000	—	4,220	—	—	1,211	60,327
—	219	—	—	—	—	219
—	—	20	—	—	—	16,597
—	—	—	—	—	93	93
—	—	—	—	—	63	381
—	—	—	—	—	—	403
—	—	222	28	—	—	9,046
—	—	—	—	—	—	1,209
—	—	98	13	—	190	4,257
917	1,371	4,063	2,143	1,100	265	120,627
—	—	1,157	1,090	7,655	161	113,967
6,415	**11,307**	**17,978**	**4,256**	**8,778**	**5,145**	**430,321**
556	**363**	**1,094**	**243**	**123**	**122**	**61,784**
0	14	0	0	0	0	43
25	5	—	—	—	—	68
136	5,458	360	92	1	21	16,599
—	20	—	—	—	—	188
—	—	—	—	—	—	403
—	—	—	—	—	—	15,758
—	—	—	—	—	—	517
2,061	22	—	164	3	1	6,368
3,430	2,385	1,848	1,619	319	352	221,615
5,652	**7,904**	**2,208**	**1,875**	**323**	**374**	**261,559**
1,285	**684**	**2,769**	**611**	**1,570**	**408**	**64,015**
916	1,371	5,219	3,069	9,049	425	214,442
—	—	—	—	—	—	21,387
—	—	—	—	—	—	21
—	—	—	—	—	—	2,536
(882)	1,711	8,876	(1,056)	(2,041)	4,060	(71,855)
$ 34	**$ 3,082**	**$ 14,095**	**$ 2,013**	**$ 7,008**	**$ 4,485**	**$ 166,531**

COMBINING STATEMENT OF ACTIVITIES
Other Nonmajor Component Units
For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	Historical Commission	Alabama Institute for the Deaf and Blind	Athens State University	Space Science Exhibit Commission	Marine Environmental Sciences Consortium
Expenses	**$ 7,575**	**$ 103,318**	**$ 44,229**	**$ 21,857**	**$ 18,539**
Program Revenues					
Charges for Services	2,234	25,492	15,473	23,309	4,840
Operating Grants and Contributions	1,059	19,877	15,811	—	9,318
Capital Grants and Contributions	371	285	—	733	—
Total Program Revenues	**3,664**	**45,654**	**31,284**	**24,042**	**14,158**
Net (Expense) Revenue	**(3,911)**	**(57,664)**	**(12,945)**	**2,185**	**(4,381)**
General Revenues:					
Payments from State of Alabama	7,585	63,670	16,937	2,732	7,203
Unrestricted Investment Earnings	1,973	1,578	506	52	4
Miscellaneous	200	322	945	—	—
Total General Revenues	**9,758**	**65,570**	**18,388**	**2,784**	**7,207**
Change in Net Position	**5,847**	**7,906**	**5,443**	**4,969**	**2,826**
Net Position, October 1, 2020, as Restated	91,846	(29,733)	22,432	21,948	2,330
Net Position, September 30, 2021	**$ 97,693**	**$ (21,827)**	**$ 27,875**	**$ 26,917**	**$ 5,156**

Crime Victims Compensation Commission	Supercomputer Authority	U.S.S Alabama Battleship Commission	Historic Ironworks Commission	Red Mountain Recreation Commission	Miscellaneous Component Units	Totals
$ 2,794	**$ 19,746**	**$ 4,992**	**$ 1,693**	**$ 187**	**$ 1,692**	**$ 226,622**
2,717	3,886	5,618	2,276	—	1,437	87,282
1,150	—	2,569	101	134	1	50,020
—	—	26	—	—	135	1,550
3,867	**3,886**	**8,213**	**2,377**	**134**	**1,573**	**138,852**
1,073	**(15,860)**	**3,221**	**684**	**(53)**	**(119)**	**(87,770)**
100	13,550	0	0	0	318	112,095
640	—	46	1	—	19	4,819
—	—	—	157	—	9	1,633
740	**13,550**	**46**	**158**	**—**	**346**	**118,547**
1,813	**(2,310)**	**3,267**	**842**	**(53)**	**227**	**30,777**
(1,779)	5,392	10,828	1,171	7,061	4,258	135,754
$ 34	**$ 3,082**	**$ 14,095**	**$ 2,013**	**$ 7,008**	**$ 4,485**	**$ 166,531**

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

Supplemental Statements and Schedules

Supplemental Statements and Schedules presents schedules and statements which bring together information spread throughout the statements, presents information in greater detail, or presents information that demonstrates legal compliance.

SCHEDULE OF FEDERAL REVENUES BY AGENCY

All Funds and Component Units, Excluding Amounts Received Directly by Higher Education

For the Fiscal Year Ended September 30, 2021

(Amounts in Thousands)

	Amount
911 Board	$ 31
Administrative Office Of Courts	940
Agriculture and Industries	22,899
Alabama School of Cyber Technology and Engineering	219
Archives and History	45
Attorney General	1,181
Bureau of Pardons and Paroles	355
Child Abuse and Neglect Prevention Board	644
Commerce	49,110
Conservation and Natural Resources	50,818
Council on the Arts	838
Crime Victims Compensation Commission	1,150
Drinking Water Finance Authority	42,630
Early Childhood Education	15,814
Economic and Community Affairs	194,870
Education	1,469,599
Education Television Foundation Authority	787
Emergency Management Agency	173,862
Environmental Management	15,781
Finance-Special Funds	1,342,581
Forensic Sciences	1,594
Forestry Commission	18,891
Geological Survey	725
Governor's Office of Volunteer Services	1,787
Historical Commission	1,044
Housing Finance Authority	62,867
Human Resources	2,683,021
Labor	1,592,740
Law Enforcement Agency	18,395
Manufactured Housing Commission	494
Medicaid Agency	5,971,571
Mental Health	58,082
Military	58,479
Office of Prosecution Services	319
Oil and Gas Board	13
Public Health	522,135
Public Library Services	3,387
Public School and College Authority	13,329
Public Service Commission	896
Rehabilitation Services	73,422
School of Fine Arts	78
Senior Services	35,850
Soil and Water Conservation Commission	2,409
State Employees Insurance Board	26
State Port Authority	
Surface Mining Commission	1,586
Transportation	1,006,907
Veterans Affairs	43,640
Water Pollution Control Authority	19,932
Total Federal Revenues	**$ 15,577,773**

This part of the State of Alabama's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends **Page 319**

These schedules contain trend information to help the reader understand how the State's financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Fund

Revenue Capacity **Page 329**

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 337**

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 345**

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 349**

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

- State Government Employment by Function
- Indicators of Demand or Level of Service
- Indicators of Volume, Usage and Nature of Capital Assets

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.
Note: The number of years presented on each schedule varies according to available data.

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Amounts in Thousands)

	2021	2020	2019	2018	2017
Governmental Activities					
Net Investment in Capital Assets	$21,006,618	$ 20,773,154	$ 20,598,076	$ 20,564,785	$ 20,544,621
Restricted	13,102,756	9,459,541	8,876,409	8,366,993	8,606,626
Unrestricted	(8,812,520)	(8,321,652)	(9,012,764)	(9,597,426)	(10,447,520)
Total Governmental Activities Net Position	**25,296,854**	**21,911,043**	**20,461,721**	**19,334,352**	**18,703,727**
Business-type Activities					
Net Investment in Capital Assets	335,839	309,525	297,463	306,317	309,115
Restricted	617,142	530,848	751,669	675,693	605,930
Unrestricted	9,672	6,140	(4,285)	(19,800)	(30,399)
Total Business-type Activities Net Position	**962,653**	**846,513**	**1,044,847**	**962,210**	**884,646**
Primary government					
Net Investment in Capital Assets	21,342,457	21,082,679	20,895,539	20,871,102	20,853,736
Restricted	13,719,898	9,990,389	9,628,078	8,988,164	9,212,556
Unrestricted	(8,802,848)	(8,315,512)	(9,017,049)	(9,617,226)	(10,477,919)
Total Primary Government Net Position	**$26,259,507**	**$ 22,757,556**	**$ 21,506,568**	**$ 20,242,040**	**$ 19,588,373**

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.

2016	2015	2014	2013	2012
$ 20,408,863	$ 20,285,148	$ 20,119,589	$ 20,041,968	$ 19,633,646
7,376,079	7,205,559	6,796,929	6,936,902	6,046,381
(7,707,397)	(7,855,192)	(7,386,155)	(4,818,396)	(4,473,936)
20,077,545	**19,635,515**	**19,530,363**	**22,160,474**	**21,206,091**
297,816	301,107	298,811	251,394	235,360
567,493	489,942	312,426	298,238	163,285
(67,811)	—	(12,158)	71,753	72,020
797,498	**791,049**	**599,079**	**621,385**	**470,665**
20,706,679	20,586,255	20,418,400	20,293,362	19,869,006
7,943,572	7,695,501	7,109,355	7,235,140	6,209,666
(7,775,208)	(7,855,192)	(7,398,313)	(4,746,643)	(4,401,916)
$ 20,875,043	**$ 20,426,564**	**$ 20,129,442**	**$ 22,781,859**	**$ 21,676,756**

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Amounts in Thousands)

	2021	2020	2019	2018	2017
Expenses					
Governmental Activities					
Economic Development and Regulation	$ 204,741	$ 159,098	$ 153,261	$ 139,139	$ 155,796
Education and Cultural Resources	9,151,901	8,470,516	7,939,340	7,462,779	7,168,714
Natural Resources and Recreation	208,426	157,192	148,015	142,306	151,843
Health	8,809,281	8,048,514	7,878,317	7,446,780	7,419,732
Social Services	3,498,818	2,719,230	2,253,620	2,213,061	2,403,668
Protection of Persons and Property	2,543,302	1,688,055	1,327,332	1,076,783	1,233,440
Transportation	1,538,344	1,700,982	1,687,336	1,818,880	1,532,866
General Government	1,544,688	1,413,374	1,351,633	1,215,056	1,048,882
Debt Service - Interest and Other Charges	187,691	155,912	169,286	184,975	182,655
Total Governmental Activities Expenses	**27,687,192**	**24,512,873**	**22,908,140**	**21,699,759**	**21,297,596**
Business-type Activities					
Unemployment Compensation	1,689,218	3,709,041	150,096	158,959	174,746
State Port Authority	154,053	146,232	151,565	133,083	131,405
Alcoholic Beverage Control Board	416,157	377,370	351,058	323,013	328,276
Nonmajor Proprietary Funds	128,582	111,013	82,759	83,957	70,093
Total Business-type Activities Expenses	**2,388,010**	**4,343,656**	**735,478**	**699,012**	**704,520**
Total Primary Governmental Expenses	**30,075,202**	**28,856,529**	**23,643,618**	**22,398,771**	**22,002,116**
Program Revenues					
Governmental Activities					
Charges for Services:					
Economic Development and Regulation	121,319	99,560	101,505	95,566	153,247
Education and Cultural Resources	38,215	38,692	51,711	43,920	50,197
Natural Resources and Recreation	113,799	116,297	99,712	92,521	79,727
Health	568,824	542,733	474,218	532,333	496,447
Social Services	31,728	55,073	53,366	25,546	65,738
Protection of Persons and Property	481,212	408,964	421,585	394,248	303,477
Transportation	259,066	240,045	258,816	204,839	187,680
General Government	611,419	495,492	497,015	195,604	266,178
Operating Grants and Contributions	12,098,999	10,110,656	9,284,376	8,786,793	8,759,602
Capital Grants and Contributions	1,058,493	1,038,188	1,160,688	1,024,637	924,667
Total Governmental Activities Program Revenues	**15,383,074**	**13,145,700**	**12,402,992**	**11,396,007**	**11,286,960**
Business-type Activities					
Charges for Services:					
Unemployment Compensation	270,296	206,462	232,912	237,593	248,199
State Port Authority	152,573	140,217	160,078	136,306	128,542
Alcoholic Beverage Control Board	482,329	422,076	378,578	351,262	336,351
Nonmajor Proprietary Funds	119,575	105,489	97,274	92,172	100,679
Operating Grants and Contributions	1,511,807	2,912,623	3,163	2,567	11,142
Capital Grants and Contributions	5,521	7,539	—	—	125
Total Business-type Activities Program Revenues	**2,542,101**	**3,794,406**	**872,005**	**819,900**	**825,038**
Total Primary Governmental Program Revenues	**$ 17,925,175**	**$ 16,940,106**	**$ 13,274,997**	**$ 12,215,907**	**$ 12,111,998**

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.

2016	2015	2014	2013	2012
$ 159,378	$ 148,267	$ 117,497	$ 121,933	$ 99,743
7,122,455	6,947,994	6,787,731	6,615,815	6,490,503
158,738	136,059	158,043	124,387	143,111
6,969,940	6,814,031	6,543,218	6,427,303	6,407,799
2,255,358	2,425,046	2,398,743	2,448,759	2,441,385
1,297,498	1,208,686	1,165,601	1,079,644	1,146,584
1,566,123	1,475,669	1,454,028	1,319,431	1,197,030
835,119	896,334	895,891	966,042	916,235
159,894	155,722	161,479	175,715	154,425
20,524,503	**20,207,808**	**19,682,231**	**19,279,029**	**18,996,815**
195,664	210,464	291,417	458,063	701,971
133,920	141,087	142,757	136,904	133,570
312,783	298,212	289,347	282,840	274,718
68,955	71,213	84,418	122,838	91,107
711,322	**720,976**	**807,939**	**1,000,645**	**1,201,366**
21,235,825	**20,928,784**	**20,490,170**	**20,279,674**	**20,198,181**
114,363	137,912	131,404	174,341	181,360
48,229	49,272	50,499	59,110	35,220
121,507	72,720	84,298	74,903	74,790
428,927	405,979	355,442	313,897	388,944
65,509	67,290	65,950	49,591	51,379
279,372	287,174	276,993	225,468	233,979
184,158	185,774	180,079	172,753	180,278
281,405	181,043	247,088	175,903	208,513
8,515,413	8,364,835	8,067,411	8,047,460	8,202,653
941,948	1,021,107	966,966	976,217	864,113
10,980,831	**10,773,106**	**10,426,130**	**10,269,643**	**10,421,229**
278,534	325,561	359,914	434,928	474,633
120,079	144,391	162,617	149,275	143,644
327,189	304,658	296,337	280,295	276,879
96,224	89,475	95,218	102,916	99,350
5,029	4,053	34,226	164,329	362,020
7,894	4,196	13,462	1,644	1,262
834,949	**872,334**	**961,774**	**1,133,387**	**1,357,788**
$ 11,815,780	**$ 11,645,440**	**$ 11,387,904**	**$ 11,403,030**	**$ 11,779,017**

Continued on next page...

CHANGES IN NET POSITION (Continued from previous page)

Last Ten Fiscal Years
(Amounts in Thousands)

	2021	2020	2019	2018	2017
Net (Expense)/Revenue					
Governmental Activities	$ (12,304,118)	$ (11,367,173)	$ (10,505,148)	$ (10,303,752)	$ (10,010,636)
Business Activities	154,091	(549,250)	136,527	120,888	120,518
Total Primary Government Net (Expense) Revenue	**(12,150,027)**	**(11,916,423)**	**(10,368,621)**	**(10,182,864)**	**(9,890,118)**
General Revenues and Other Changes in Net Position					
Governmental Activities					
Sales and Use Taxes	3,653,790	3,185,463	3,003,023	2,818,868	2,679,492
Income Taxes	5,803,826	4,773,225	4,690,366	4,269,203	4,021,968
Motor Fuels Taxes	882,634	770,333	617,109	585,054	581,428
Utility Taxes	573,006	582,450	612,395	603,358	598,233
Insurance Premium Tax	474,622	437,752	413,754	387,040	334,479
Property Tax	431,693	406,646	394,047	371,291	359,826
Liquor Taxes	250,742	222,597	209,796	195,675	190,854
Tobacco and Cigarette Taxes	171,272	176,037	173,778	183,774	185,276
Grants/Contributions Not Restricted to Specific Programs	1,343,814	989,614	2,687	3,071	5,037
Unrestricted Investment Earnings	677,498	318,707	247,140	251,189	348,038
Miscellaneous	1,369,206	1,284,656	1,200,645	1,151,539	1,120,197
Transfers	56,644	(329,801)	67,777	59,792	50,983
Total Governmental Activities	**15,688,747**	**12,817,679**	**11,632,517**	**10,879,854**	**10,475,811**
Business-type Activities					
Liquor Taxes	16,886	14,513	13,780	14,694	13,317
Miscellaneous	1,739	6,602	107	1,774	364
Special Items	—	—	—	—	—
Transfers	(56,644)	329,801	(67,777)	(59,792)	(50,983)
Total Business-type Activities	**(38,019)**	**350,916**	**(53,890)**	**(43,324)**	**(37,302)**
Total Primary Government General Revenues and Other Changes	**15,650,728**	**13,168,595**	**11,578,627**	**10,836,530**	**10,438,509**
Change in Net Position					
Governmental Activities	3,384,629	1,450,506	1,127,369	576,102	465,175
Business-type Activities	116,072	(198,334)	82,637	77,564	83,216
Total Primary Government Change in Net Position	**$ 3,500,701**	**$ 1,252,172**	**$ 1,210,006**	**$ 653,666**	**$ 548,391**

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.

2016	2015	2014	2013	2012
$ (9,543,672)	$ (9,434,702)	$ (9,256,101)	$ (9,009,386)	$ (8,575,586)
123,627	151,358	153,835	132,742	156,422
(9,420,045)	**(9,283,344)**	**(9,102,266)**	**(8,876,644)**	**(8,419,164)**
2,663,197	2,489,460	2,398,362	2,343,322	2,280,723
3,803,755	3,859,889	3,637,582	3,515,081	3,331,987
581,415	559,890	545,976	541,603	540,666
595,498	631,305	640,104	621,684	598,533
320,046	313,316	306,359	297,072	278,196
353,137	349,450	334,275	326,255	324,751
181,229	179,278	171,297	163,026	161,447
193,992	129,702	126,103	128,714	132,567
3,419	4,159	9,096	10,421	9,140
258,207	22,235	208,608	213,988	292,612
1,112,012	1,107,396	1,119,266	1,097,907	1,105,950
55,350	39,421	42,487	29,798	31,445
10,121,257	**9,685,501**	**9,539,515**	**9,288,871**	**9,088,017**
11,453	13,996	11,823	11,864	11,832
81	460	2,902	10,858	7,066
—	—	—	—	—
(55,350)	(39,421)	(42,487)	(29,798)	(31,445)
(43,816)	**(24,965)**	**(27,762)**	**(7,076)**	**(12,547)**
10,077,441	**9,660,536**	**9,511,753**	**9,281,795**	**9,075,470**
577,585	250,799	283,414	279,485	512,431
79,811	126,393	126,073	125,666	143,875
$ 657,396	**$ 377,192**	**$ 409,487**	**$ 405,151**	**$ 656,306**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Amounts in Thousands)

	2021	2020	2019	2018	2017
General Fund					
Nonspendable	$ 4,035	$ 4,035	$ 2,612	$ 2,795	$ 4,196
Assigned	6,065	5,824	3,082	2,937	2,203
Unassigned	1,108,317	891,129	695,542	596,957	431,095
Total General Fund	**$ 1,118,417**	**$ 900,988**	**$ 701,236**	**$ 602,689**	**$ 437,494**
All Other Governmental Funds					
Nonspendable	$ 145,766	$ 145,313	$ 132,944	$ 129,481	$ 123,057
Restricted	12,245,117	8,583,354	7,907,675	7,338,783	7,595,158
Assigned	103,226	71,691	43,747	43,676	89,689
Unassigned	(669)	105,811	(22,272)	(54,614)	(154,985)
Total All Other Governmental Funds	**$12,493,440**	**$ 8,906,169**	**$ 8,062,094**	**$ 7,457,326**	**$ 7,652,919**

GASB Statement 61 redefined the reporting entity in 2013. 2012 was restated; it was not practical to restate years prior to2012. 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.

2016	2015	2014	2013	2012
$ 3,642	$ 4,142	$ 3,118	$ 0	$ 4,003
3,522	921	1,894	3,641	1,885
181,040	104,166	116,092	84,432	3,908
$ 188,204	**$ 109,229**	**$ 121,104**	**$ 88,073**	**$ 9,796**
$ 119,622	$ 111,810	$ 109,648	$ 102,851	$ 100,216
6,413,184	6,196,422	6,021,377	6,088,341	5,863,103
439,510	49,035	41,799	47,801	86,576
(467,738)	(117,424)	(98,990)	(207,356)	(455,521)
$ 6,504,578	**$ 6,239,843**	**$ 6,073,834**	**$ 6,031,637**	**$ 5,594,374**

CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts in Thousands)

	2021	2020	2019	2018	2017
Revenues					
Taxes	$13,461,804	$11,698,109	$11,182,962	$10,434,236	$9,937,261
Licenses, Permits, and Fees	1,383,632	1,296,971	921,893	913,122	957,711
Fines, Forfeits, and Court Settlements	260,183	197,922	219,283	205,654	199,515
Investment Income	786,589	390,344	312,428	300,875	411,961
Federal Grants and Reimbursements	13,947,104	11,580,665	9,836,870	9,239,012	9,149,105
Other Revenues	1,177,618	1,143,950	1,224,606	1,165,726	1,085,239
Total Revenues	**31,016,930**	**26,307,961**	**23,698,042**	**22,258,625**	**21,740,792**
Expenditures					
Economic Development and Regulation	208,029	164,168	151,081	137,168	141,781
Education and Cultural Resources	9,137,751	8,401,839	7,882,290	7,416,955	7,269,649
Natural Resources and Recreation	221,881	206,119	170,192	222,563	219,683
Health	8,857,161	8,096,409	7,877,623	7,456,630	7,348,838
Social Services	3,589,056	2,772,405	2,258,663	2,208,341	2,288,852
Protection of Persons and Property	2,635,454	1,654,607	1,278,467	1,171,961	1,146,759
Transportation	1,806,668	1,941,239	1,935,522	2,097,543	1,795,101
General Government	1,578,286	1,420,926	1,032,046	975,807	938,677
Capital Outlay	21,946	39,773	48,791	26,360	46,047
Debt Service - Principal Retirement	412,059	324,815	379,195	359,976	304,997
Debt - Interest and Other Charges	219,317	200,186	215,709	228,942	219,655
Debt Service - Current Refunding to Bondholders		—	—	—	—
Total Expenditures	**28,687,608**	**25,222,486**	**23,229,579**	**22,302,246**	**21,720,039**
Other Financing Sources (Uses)					
Transfers In	5,357,720	4,389,425	3,504,949	3,311,528	3,410,241
Bonds Issued	1,480,835	118,460	338,880	18,455	1,281,755
Refunding Bonds Issued	—	—	—	—	245,115
Capital Leases	18,885	6,992	2,889	5,880	7,150
Other Debt Issued	—	—	—	—	—
Debt Issuance Premiums	342,690	32,155	26,625	1,421	166,365
Debt Issuance Discounts	—	—	—	—	(2,587)
Insurance Recovery Proceeds	9,480	5,238	5,277	3,646	3,912
Transfers Out	(5,345,925)	(4,801,566)	(3,509,255)	(3,331,991)	(3,439,907)
Payments to Refunded Bond Escrow Agent	(247,697)	—	(160,819)	—	(299,211)
Total Other Financing Sources (Uses)	**1,615,988**	**(249,296)**	**208,546**	**8,939**	**1,372,833**
Net Increase (Decrease) for the Year	**$ 3,945,310**	**$ 836,179**	**$ 677,009**	**$ (34,682)**	**$1,393,586**
Debt Service as a Percentage of Noncapital Expenditures	2.23 %	2.11 %	2.60 %	2.69 %	2.47 %

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.

2016	2015	2014	2013	2012
$ 9,688,071	$9,495,075	$9,179,181	$8,943,677	$8,661,089
838,784	815,183	777,804	683,527	679,106
214,692	141,522	148,436	202,968	255,117
321,849	31,052	251,790	237,875	327,787
8,845,712	8,650,652	8,444,987	8,468,687	8,433,252
1,194,666	1,276,617	1,150,942	1,064,451	1,149,715
21,103,774	**20,410,101**	**19,953,140**	**19,601,185**	**19,506,066**
132,869	139,059	115,103	116,286	82,604
6,999,242	6,945,844	6,791,198	6,640,507	6,665,647
169,372	163,571	149,825	153,860	151,359
6,983,426	6,785,507	6,507,467	6,351,112	6,372,507
2,292,200	2,394,865	2,365,849	2,423,399	2,459,795
1,131,237	1,145,092	1,107,139	1,027,538	1,104,876
1,790,045	1,747,040	1,680,024	1,685,764	1,557,750
940,680	887,354	893,627	982,857	931,145
48,824	36,337	49,834	55,876	80,479
288,565	271,906	270,795	244,736	357,677
194,992	193,120	198,700	189,960	187,763
—	—	—	82,802	—
20,971,452	**20,709,695**	**20,129,561**	**19,954,697**	**19,951,602**
2,933,652	3,068,106	2,809,995	2,733,138	2,869,361
155,115	610,960	128,985	690,870	15,700
21,660	106,090	814,000	131,160	257,585
19,836	7,709	6,834	538	45,551
3,163	—	—	—	—
21,114	95,175	165,400	115,957	40,085
—	—	—	—	—
2,567	5,208	3,849	9,834	5,368
(2,942,444)	(3,076,997)	(2,808,115)	(2,715,345)	(2,849,560)
(21,885)	(124,437)	(966,941)	(66,681)	(102,030)
192,778	**691,814**	**154,007**	**899,471**	**282,060**
$ 325,100	**$ 392,220**	**$ (22,414)**	**$ 545,959**	**$ (163,476)**
2.34 %	2.29 %	2.38 %	2.66 %	2.81 %

REVENUE CAPACITY
Major Revenue Base: Personal Income by Industry

Last Ten Years
(Amounts in Thousands)

Industry	2021	2020	2019	2018	2017
Mining	$ 788,318	$ 911,627	$ 1,038,165	$ 628,325	$ 271,476
Utilities	2,250,520	2,186,232	2,028,901	1,929,301	1,991,505
Construction	9,519,748	9,146,171	8,241,959	7,712,179	7,426,951
Manufacturing	19,886,577	19,918,677	19,286,109	18,514,821	18,017,585
Wholesale Trade	6,677,776	6,501,164	6,253,822	5,941,386	5,748,531
Retail Trade	9,484,207	8,986,604	8,619,024	8,343,071	8,205,905
Transportation and warehousing	5,115,102	4,962,189	5,161,844	4,618,262	4,176,294
Finance and insurance	7,841,261	7,366,124	7,241,237	6,966,682	6,573,465
Professional and technical services	13,308,060	12,425,310	11,858,008	11,168,879	10,470,235
Government and government enterprises	29,044,727	28,153,035	27,232,112	26,643,173	26,145,436
All other	124,832,508	115,373,242	110,092,402	102,627,741	103,668,214
Total Personal Income	**228,748,804**	**215,930,375**	**207,053,583**	**195,093,820**	**192,695,597**
State Income Taxes	**$ 4,834,305**	**$ 4,441,329**	**$ 3,378,720**	**$ 3,632,683**	**$ 3,500,390**
Average Effective Rate*	2.11 %	2.06 %	1.85 %	1.98 %	1.86 %

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.

2016	2015	2014	2013	2012
$ 563,596	$ 798,053	$ 848,886	$ 843,135	$ 774,927
1,867,477	1,737,534	1,720,394	1,645,215	1,708,669
7,188,505	7,201,258	7,200,840	7,469,694	6,844,757
17,619,231	17,016,820	16,056,465	15,447,632	14,841,615
5,752,413	5,508,540	5,411,660	5,227,856	5,220,054
7,976,156	7,742,351	7,584,827	7,444,823	7,223,484
4,016,706	3,816,402	3,704,234	3,660,127	3,716,324
6,500,629	6,167,368	5,863,600	5,650,099	5,573,875
10,149,519	9,687,222	9,426,465	9,273,604	9,113,200
25,577,893	25,014,090	24,319,747	24,382,329	24,824,695
99,620,837	98,236,210	95,001,853	91,610,634	91,081,026
186,832,962	**182,925,848**	**177,138,971**	**172,655,148**	**170,922,626**
$ 3,401,786	**$ 3,192,012**	**$ 3,224,251**	**$ 2,953,107**	**$ 2,818,267**
1.89 %	1.83 %	1.82 %	1.83 %	1.72 %

REVENUE CAPACITY
Revenue Rates: Individual and Corporate Income Tax Rates

Last Ten Calendar Years

Filing Status	**2011-2021**
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%

	2011-2021
Corporate Income Tax Rates	6.5%

Source: Alabama Department of Revenue

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

REVENUE CAPACITY
Principal Revenue Payers: Individual Income Tax Filers and Liability

Last Ten Years

For Tax Year 2020

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	566,841	27 %	$ 29,658	1 %
12,001- 24,000	352,371	16	157,248	4
24,001- 39,000	332,975	16	339,260	8
39,001- 60,000	288,602	14	480,623	12
60,001- 80,000	164,814	8	390,982	10
OVER 80,000	401,088	19	2,589,981	65
TOTAL	**2,106,691**	**100 %**	**$ 3,987,752**	**100 %**

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 %**

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 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 %**

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 %**

REVENUE CAPACITY
Principal Revenue Payers: Corporate Income Tax Filers and Liability

Last Ten Years

For Tax Year 2019

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	33,448	86 %	$ 6,151	1 %
50,001- 100,000	1,356	3	6,259	1
100,001- 500,000	2,281	6	34,630	6
500,001- 1,000,000	605	2	27,632	5
1,000,001- and higher	1,093	3	532,280	88
TOTAL	**38,783**	**100 %**	**$ 606,952**	**101 %**

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 %**

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)

	2021	2020	2019	2018	2017
Primary Government					
Governmental Activities:					
General Obligation Bonds	$ 566,183	$ 645,508	$ 722,855	$ 609,633	$ 673,634
Revenue Bonds	5,177,939	3,958,647	4,096,310	4,429,103	4,753,950
Capital Leases/Notes/Mortgages	171,658	169,010	177,556	188,709	192,297
Total Governmental Activities	**5,915,780**	**4,773,165**	**4,996,721**	**5,227,445**	**5,619,881**
Business-type Activities:					
Revenue Bonds	323,786	337,677	354,230	367,169	327,401
Capital Leases/Notes/Mortgages	826	940	1,009	1,117	1,217
Total Business-Type Activities	**324,612**	**338,617**	**355,239**	**368,286**	**328,618**
Total Primary Government	**$ 6,240,392**	**$ 5,111,782**	**$ 5,351,960**	**$ 5,595,731**	**$ 5,948,499**
Debt as a percentage of Personal Income †	2.73 %	2.36 %	2.59 %	2.81 %	3.05 %
Amount of Debt per Capita †	$ 1,268	$ 998	$ 1,095	$ 1,188	$ 1,235

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.

2016	2015	2014	2013	2012
$ 722,383	$ 631,497	$ 680,476	$ 705,367	$ 713,718
3,667,728	3,942,889	3,517,971	3,580,726	3,044,393
191,200	180,902	184,946	173,661	181,117
4,581,311	**4,755,288**	**4,383,393**	**4,459,754**	**3,939,228**
344,610	354,408	363,695	365,556	373,101
4,518	4,607	5,848	5,442	6,840
349,128	**359,015**	**369,543**	**370,998**	**379,941**
$ 4,930,439	**$ 5,114,303**	**$ 4,752,936**	**$ 4,830,752**	**$ 4,319,169**
2.61 %	2.77 %	2.64 %	2.72 %	2.54 %
$ 1,022	$ 1,070	$ 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 †
2021	$566,183	$5,177,939	$ 5,744,122	$ 287,688	$ 5,456,434	2.39%	1109
2020	645,508	3,958,647	4,604,155	256,614	4,347,541	2.01	803
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	953
2017	673,634	4,753,950	5,427,584	175,120	5,252,464	2.70	1,050
2016	722,383	3,667,728	4,390,111	156,430	4,233,681	2.24	840
2015	631,497	3,942,889	4,574,386	138,428	4,435,958	2.40	868
2014	680,476	3,517,971	4,198,447	136,111	4,062,336	2.23	805
2013	705,367	3,580,726	4,286,093	120,716	4,165,377	2.38	838
2012	713,718	3,044,393	3,758,111	172,030	3,586,081	2.07	704

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)

	2021	2020	2019	2018	2017
State Port Authority					
Revenue-Charges for facilities usage	$ 151,656	$ 139,822	$ 158,449	$ 134,936	$ 125,872
Debt Service					
Principal	13,060	12,425	11,825	9,115	10,295
Interest	13,957	14,505	14,255	13,994	15,904
Coverage [1]	5.61	5.19	6.08	5.84	4.80
Federal Aid Highway Finance Authority					
Revenue-Federal Revenue	$ 1,012,899	$ 960,606	$ 1,037,932	$ 945,506	$ 831,961
Debt Service					
Principal	52,225	49,735	47,370	45,110	31,080
Interest	61,618	64,104	66,472	68,728	47,920
Coverage [1]	8.90	8.44	9.12	8.31	10.53
Alabama Incentives Financing Authority					
Tennessee Valley Exhibit Commission					
Revenue-Tennessee Valley Electric Payment	$ 13,622	$ 14,847	$ 14,609	$ 14,866	$ 14,910
Debt Service					
Principal	7,490	7,555	6,575	6,290	6,015
Interest	8,834	8,875	11,366	11,653	11,925
Coverage [1]	0.83	0.90	0.81	0.83	0.83
Alabama Economic Settlement Authority					
Revenue-BP Settlement	$ 53,333	$ 53,333	$ 53,333	$ 50,000	$ 0
Debt Service					
Principal	33,025	32,000	31,005	26,755	—
Interest	20,826	21,838	22,819	23,665	17,749
Coverage [1]	0.99	0.99	0.99	0.99	0.00

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.

2016	2015	2014	2013	2012
$ 119,691	$ 144,886	$ 162,318	$ 147,508	$ 144,686
9,755	9,245	8,770	8,290	7,895
16,732	16,955	17,063	17,350	17,983
4.52	5.53	6.28	5.75	5.59
$ 879,343	$ 900,906	$ 941,952	$ 913,307	$ 823,507
29,830	23,740	22,675	14,540	13,930
39,188	30,063	18,562	14,440	3,412
12.74	16.74	22.84	31.52	47.49
$ 16,152	$ 17,513	$ 18,118	$ 19,055	$ 20,642
5,770	5,550	5,360	6,025	5,045
12,170	12,384	12,573	11,919	6,977
0.90	0.98	1.01	1.06	1.72
$ 0	$ 0	$ 0	$ 0	$ 0
—	—	—	—	—
—	—	—	—	—
0.00	0.00	0.00	0.00	0.00

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DEBT CAPACITY
Pledged Revenue Coverage - Primary Government Revenue Bonds
(Continued from previous page)
Last Ten Fiscal Year
(Amounts in Thousands)

	2021	2020	2019	2018	2017
Public School and College Authority					
Revenue-General Sales Tax, Utility Tax, Use Tax	$ 3,005,829	$ 2,782,879	$ 2,761,493	$ 2,656,156	$ 2,554,547
Debt Service					
Principal	180,060	134,840	204,555	190,995	192,160
Interest	80,450	63,195	72,056	81,021	89,823
Coverage [1]	11.54	14.05	9.98	9.76	9.06
Mental Health Financing Authority					
Revenue-Cigarette Tax	$ 40,715	$ 36,504	$ 33,723	$ 32,291	$ 31,377
Debt Service					
Principal	1,990	1,945	1,895	1,850	1,805
Interest	130	171	211	250	288
Coverage [1]	19.21	17.25	16.01	15.38	14.99
Alabama Revolving Fund Authority					
Revenue-Mobile Telecommunications Tax	$ 20,663	$ 26,741	$ 33,103	$ 28,545	$ 45,051
Debt Service					
Principal	940	1,120	1,070	1,030	990
Interest	659	708	760	808	849
Coverage [1]	12.92	14.63	18.09	15.53	24.50
Alabama Twenty-first Century Authority					
Revenue-Tobacco Settlement	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 13,000
Debt Service					
Principal	15,230	14,465	13,760	13,085	9,585
Interest	762	1,485	2,173	2,827	3,306
Coverage [1]	1.00	1.00	1.00	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	$ 390,460	$ 369,017	$ 381,026	$ 391,086	$ 365,276
Debt Service					
Principal	19,875	3,690	3,625	3,565	3,510
Interest	5,489	127	188	249	308
Coverage [1]	15.39	96.68	99.93	102.54	95.67

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.

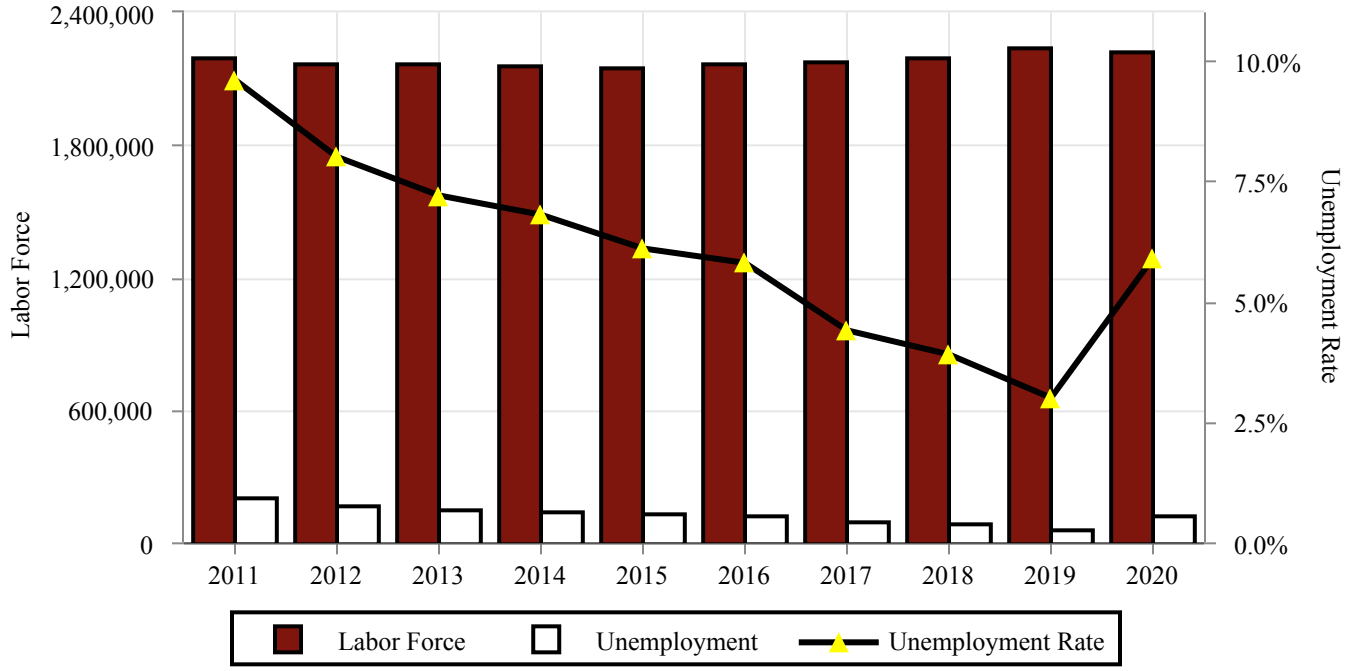
2016	2015	2014	2013	2012
$ 2,524,359	$ 2,441,906	$ 2,459,428	$ 2,353,497	$ 2,441,387
180,905	168,460	178,200	163,325	101,770
97,566	101,762	115,995	108,860	123,123
9.07	9.04	8.36	8.65	10.86
$ 30,710	$ 26,260	$ 25,095	$ 5,652	$ 5,930
1,760	1,700	1,650	1,400	1,325
326	383	437	448	195
14.72	12.61	12.02	3.06	3.90
$ 50,447	$ 57,320	$ 70,117	$ 80,511	$ 82,404
960	930	905	885	865
886	916	940	962	984
27.33	31.05	38.00	43.59	44.57
$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000
9,160	8,820	8,525	180	6,530
3,673	4,025	4,281	4,287	7,110
1.01	1.01	1.02	2.91	0.95
$ 346,376	354,209	$ 0	$ 0	$ 0
3,450	3,410	—	—	—
368	405	—	—	—
90.72	92.85	0.00	0.00	0.00

DEMOGRAPHIC AND ECONOMIC INFORMATION
Labor Force Statistics

Last Ten Years

Year	Labor Force	Employment	Unemployment	Unemployment Rate
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%
2020	2,230,118	2,099,062	131,056	5.9%

Civilian Labor Force Trend with Unemployment Rates



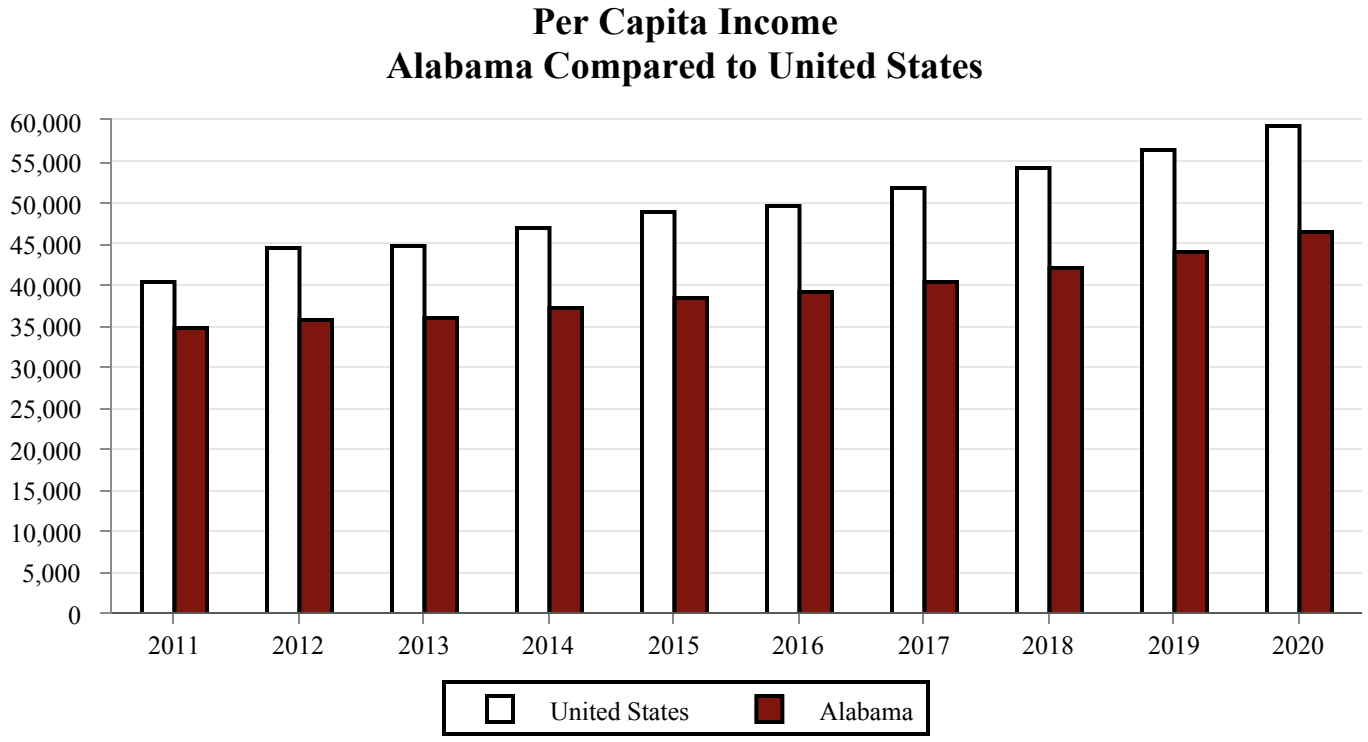
Note: Year 2020 is most recent year for which data is available.
Averages for calendar year and not seasonally adjusted.
2010-2018 data reflects revised population controls and model reestimation with the Bureau of Labor Statistics.

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**
2011	311,580,009	4,785,448	$40,546	$34,997	$13,315,478,000	$161,516,600
2012	313,874,218	4,815,564	44,599	35,884	13,998,383,000	167,942,800
2013	316,057,727	4,830,460	44,851	36,107	14,175,503,000	172,804,100
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	18,542,262,000	216,449,000
2020	329,484,123	4,921,532	59,510	46,479	19,607,447,000	228,748,800



Note: Year 2020 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

	2021			2020		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	40,000-49,999	1	2.33 %	30,000-39,999	1	1.76 %
Army	20,000-29,999	2	1.29	20,000-29,999	2	1.26
Publix Alabama LLC	10,000-19,999	3	0.78	5,000-9,999	3	0.38
The University of Alabama Birmingham	5,000-9,999	4	0.39	5,000-9,999	4	0.38
Huntsville Hospital	5,000-9,999	5	0.39	5,000-9,999	6	0.38
U S Postal Service	5,000-9,999	6	0.39	5,000-9,999	5	0.38
UAB Hospital Management LLC	5,000-9,999	7	0.39	5,000-9,999	9	0.38
Mobile Education Board	5,000-9,999	8	0.39	5,000-9,999	7	0.38
Regions Bank	5,000-9,999	9	0.39	5,000-9,999	8	0.38
Veteran Affairs Administration	5,000-9,999	10	0.39	—	—	—
The University of Alabama	—	—	—	5,000-9,999	10	0.38
Totals	**90,000-149,990**		**7.13 %**	**90,000-149,990**		**6.06 %**

	2019			2018		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.77 %	30,000-39,999	1	1.80 %
Army	20,000-29,999	2	1.26	20,000-29,999	2	1.28
University Of Alabama-Birmingham	5,000-9,999	3	0.38	5,000-9,999	3	0.38
Publix Alabama LLC	5,000-9,999	4	0.38	5,000-9,999	5	0.38
U S Postal Service	5,000-9,999	5	0.38	5,000-9,999	4	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	8	0.38
Regions Bank	5,000-9,999	8	0.38	5,000-9,999	7	0.38
The University of Alabama	5,000-9,999	9	0.38	5,000-9,999	10	0.38
Alabama Power Co Electric	5,000-9,999	10	0.38	5,000-9,999	9	0.38
Totals	**90,000-149,990**		**6.07 %**	**90,000-149,990**		**6.12 %**

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

Employer	2017 Employment Range	2017 Rank	2017 % of Total State Employment	2016 Employment Range	2016 Rank	2016 % of Total State Employment	2015 Employment Range	2015 Rank	2015 % of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.82 %	30,000-39,999	1	1.84 %	30,000-39,999	1	1.87 %
Army	20,000-29,999	2	1.30	20,000-29,999	2	1.31	20,000-29,999	2	1.33
U S Postal Service	5,000-9,999	3	0.39	5,000-9,999	5	0.39	5,000-9,999	4	0.40
University Of Alabama-Birmingham	5,000-9,999	4	0.39	5,000-9,999	3	0.39	5,000-9,999	5	0.40
Regions Bank	5,000-9,999	5	0.39	5,000-9,999	4	0.39	5,000-9,999	3	0.40
Mobile Education Board	5,000-9,999	6	0.39	5,000-9,999	6	0.39	5,000-9,999	6	0.40
Publix Alabama LLC	5,000-9,999	7	0.39	5,000-9,999	7	0.39	5,000-9,999	8	0.40
Huntsville Hospital	5,000-9,999	8	0.39	5,000-9,999	8	0.39	5,000-9,999	9	0.40
Alabama Power Co Electric	5,000-9,999	9	0.39	5,000-9,999	9	0.39	5,000-9,999	7	0.40
The University of Alabama	5,000-9,999	10	0.39	5,000-9,999	10	0.39	—	—	—
Auburn University	—	—	—	—	—	—	5,000-9,999	10	0.40
Totals	**90,000-149,990**		**6.24 %**	**90,000-149,990**		**6.27 %**	**90,000-149,990**		**6.40 %**

Employer	2014 Employment Range	2014 Rank	2014 % of Total State Employment	2013 Employment Range	2013 Rank	2013 % of Total State Employment	2012 Employment Range	2012 Rank	2012 % of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.96 %	30,000-39,999	1	1.96 %	30,000-39,999	1	1.93 %
Army	20,000-29,999	2	1.39	20,000-29,999	2	1.39	20,000-29,999	2	1.38
Regions Bank	5,000-9,999	3	0.41	5,000-9,999	7	0.41	5,000-9,999	8	0.41
University of Alabama - Birmingham	5,000-9,999	4	0.41	5,000-9,999	4	0.41	5,000-9,999	5	0.41
U S Postal Service	5,000-9,999	5	0.41	5,000-9,999	5	0.41	5,000-9,999	4	0.41
Mobile Education Board	5,000-9,999	6	0.41	5,000-9,999	3	0.41	5,000-9,999	3	0.41
Alabama Power Co Electric	5,000-9,999	7	0.41	5,000-9,999	6	0.41	5,000-9,999	6	0.41
Publix Alabama	5,000-9,999	8	0.41	5,000-9,999	9	0.41	—	—	—
Huntsville Hospital	5,000-9,999	9	0.41	5,000-9,999	8	0.41	5,000-9,999	9	0.41
Ascension Health Ministry	5,000-9,999	10	0.41	—	—	—	—	—	—
Auburn University	—	—	—	5,000-9,999	10	0.41	—	—	—
U. Of Ala In Bham Medical Center	—	—	—	—	—	—	5,000-9,999	7	0.41
University of Alabama	—	—	—	—	—	—	5,000-9,999	10	0.41
Totals	**90,000-149,990**		**6.63 %**	**90,000-149,990**		**6.63 %**	**90,000-149,990**		**6.59 %**

OPERATING INFORMATION
State Government Employment by Function

Last Ten Years

	2021	2020	2019	2018	2017
Primary Government					
Governmental Activities:					
Economic Development and Regulation	702	699	688	689	698
Education and Cultural Resources	1,317	1,345	1,067	1,019	1,010
Natural Resources and Recreation	1,203	1,309	1,313	1,284	1,340
Health	4,907	4,947	5,142	5,163	5,225
Social Services	5,640	5,931	6,024	6,016	5,989
Protection of Person and Property	7,561	7,885	7,744	7,426	7,461
Transportation	4,301	4,368	4,386	4,320	4,320
General Government	4,385	4,693	4,290	3,794	3,868
Total Governmental Activities	**30,016**	**31,177**	**30,654**	**29,711**	**29,911**
Business-type Activities:					
Alcoholic Beverage Control Board	878	889	874	864	840
State Port Authority	153	163	168	161	167
Total Business-Type Activities	**1,031**	**1,052**	**1,042**	**1,025**	**1,007**
Total Primary Government	**31,047**	**32,229**	**31,696**	**30,736**	**30,918**

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

2016	2015	2014	2013	2012
696	673	664	684	704
1,027	998	973	856	832
1,325	1,410	1,460	1,448	1,461
5,312	5,231	5,441	5,077	6,017
6,050	6,133	6,162	5,997	6,089
7,531	7,883	7,750	8,255	8,394
4,310	4,375	4,320	4,271	4,355
3,802	5,312	4,469	4,048	4,031
30,053	**32,015**	**31,239**	**30,636**	**31,883**
818	794	879	896	899
176	188	187	187	188
994	**982**	**1,066**	**1,083**	**1,087**
31,047	**32,997**	**32,305**	**31,719**	**32,970**

OPERATING INFORMATION
Indicators of Demand or Level of Service

Last Ten Fiscal Years

	2021	2020	2019	2018	2017
Economic Development and Regulation					
Forestry Commission					
Number of fires	927	998	1,565	967	3,371
Average acres burned	16	13	13	12	14
Agriculture and Industries					
Pounds of meat processed under inspection	70,742,000	79,197,000	82,661,000	94,404,561	84,200,561
Educational and Cultural Resources					
Education Department					
Teachers	46,942	46,767.23	46,766.11	46,715	45,991
Number of local schools supported	1,349	1,339	1,336	1,342	1,338
Number of children served	716,084	724,178	722,212	726,924	730,175
Natural Resources and Recreation					
Conservation and Natural Resources					
Number of guests to outdoor recreational sites	3,569,116	3,126,537	2,972,109	3,601,331	3,725,131
Acres of land managed	484,056	482,772.737	475,088.83	468,478.91	461,659
Number of registered boats	271,439	264,849	264,855	262,529	264,910
Health - Physical and Mental					
Public Health					
Vital records issued	847,629	726,652	707,836	692,900	672,086
Medicaid					
Average number of monthly recipients	424,529	405,314	434,581	436,343	435,349
Average Number of claims processed monthly	1,801,594	1,772,215	1,941,211	1,913,874	1,774,599
Social Services					
Industrial Relations					
Employment Security claims	656,705	837,421	131,278	141,635	150,606
Human Resources					
Number of visits to licensed child care centers	3,940	2,755	3,794	4,816	4,464
Child support caseload	202,798	210,423	214,719	218,318	219,994
Households receiving food assistance	297,075	349,654	344,188	360,067	375,919
Number of child abuse/neglect assessments	26,980	27,244	29,091	28,075	27,891
Protection of Persons and Property					
Department of Corrections					
Number of inmates	17,837	18,409	20,953	20,090	21,213
Public Safety					
Arrest tickets issued	355,888	259,677	223,300	263,729	248,675
Accidents investigated	28,981	31,168	32,358	31,950	31,914
Pardons and Paroles					
Number of board decisions	5,529	3,213	7,951	8,963	8,556
Number of offenders supervised	22,328	64,804	63,081	68,793	66,667
Forensic Sciences					
Number of death cases investigated	6,365	2,335	2,211	4,370	2,889
Transportation					
Transportation Department					
Roadway miles	10,875	10,875	10,887	10,888	10,889
Bridges	5,407	5,414	5,409	5,406	5,395
General Government					
Administrative Office of Courts					
Caseload	1,737,471	1,507,617	1,645,982	1,604,366	1,646,259
Revenue Department					
Number of payments received	3,803,383	3,458,064	3,454,039	3,359,377	3,283,117

2016	2015	2014	2013	2012
1,637	2,377	1,485	1,682	1,421
12	13	16	13	12
85,033,628	86,648,858	83,532,371	104,532,371	87,148,545
46,349	46,480	46,232	46,089	46,073
1,467	1,480	1,491	1,501	1,496
730,563	740,567	740,567	739,295	743,130
3,777,838	3,613,957	3,524,785	4,231,342	3,992,768
447,886	441,351	436,445	424,621	318,535
265,133	262,332	263,893	266,697	266,003
643,434	617,154	572,855	552,565	471,065
434,201	436,796	422,142	422,448	416,558
1,766,065	1,769,199	1,697,512	1,830,587	1,799,182
156,175	198,482	217,804	256,490	284,253
4,953	2,263	2,508	2,420	2,581
221,810	227,360	232,252	236,273	236,000
399,728	417,943	419,552	421,302	411,710
27,077	24,505	22,151	20,456	19,884
23,328	24,191	24,816	25,340	25,376
297,568	267,182	236,958	289,757	411,086
32,109	30,850	28,423	29,150	31,544
7,362	7,239	7,967	9,450	11,946
54,695	66,736	64,534	64,525	67,339
2,717	2,433	2,631	2,464	2,394
10,873	10,874	10,871	10,871	10,870
5,431	5,390	5,401	5,393	5,390
1,628,320	1,630,981	1,682,245	1,814,366	2,039,383
3,222,830	3,162,976	3,104,588	2,925,412	3,460,511

OPERATING INFORMATION
Indicators of Volume, Usage, and Nature of Capital Assets

Last Ten Fiscal Years

	2021	2020	2019	2018	2017
Economic Development and Regulation					
Forestry Commission					
Buildings	3	3	3	3	3
Vehicles	328	338	361	360	360
Heavy Equipment	329	332	346	346	345
Natural Resources and Recreation					
Conservation and Natural Resources					
Buildings	88	88	87	87	87
Vehicles	777	718	701	707	696
Heavy Equipment	204	201	205	198	197
Health					
Environmental Management					
Vehicles	187	181	177	185	174
Mental Health					
Buildings	20	20	20	20	20
Vehicles	59	60	50	43	37
Social Services					
Human Resources					
Buildings	44	41	40	40	39
Protection of Persons and Property					
Agriculture and Industries					
Vehicles	151	159	145	138	131
Corrections					
Buildings	159	158	155	149	148
Vehicles	645	604	623	596	552
Military					
Buildings	200	196	189	189	187
Alabama Law Enforcement Agency					
Vehicles	1,324	1,311	1,230	1,159	1,223
Youth Services					
Buildings	31	32	31	31	31
Vehicles	51	46	51	44	44
Pardons and Paroles					
Vehicles	444	399	341	319	303
Transportation					
Transportation					
Buildings	135	115	115	108	101
Vehicles	2,159	2,387	2,200	2,268	2,237
Heavy Equipment	1,011	1,136	1,138	1,145	1,172
General Government					
Administrative Office of Courts					
Vehicles	5	10	10	10	10
Revenue Department					
Vehicles	42	39	37	35	33

2016	2015*	2014	2013	2012
3	3	159	159	159
362	431	400	307	303
358	362	613	569	547
85	85	380	761	671
633	637	743	223	739
169	164	219	218	218
168	176	161	189	173
20	20	85	80	190
37	65	79	91	91
39	37	37	36	36
121	102	158	163	154
141	137	405	399	391
487	491	560	535	503
185	185	185	185	185
1,189	1136	1131	1184	1089
32	32	112	112	113
40	35	89	86	85
188	197	324	319	312
87	87	87	83	83
2,277	2,150	2,150	2,062	2,193
1,136	1,193	1,193	1,047	1,096
9	9	14	14	14
12	15	21	28	29

* 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.