

**Alabama Trust Fund**  
**Balance Sheet (unaudited)**  
**September 30, 2019**

	Quarter Ended		Change
	9/30/2019	6/30/2019	
<b>Assets:</b>			
Cash/Cash Equivalents	\$ 82,717,910	\$ 301,682,464	\$ (218,964,554)
Fixed Income Securities	987,032,493	972,900,299	\$ 14,132,193
Equity Securities	1,841,789,849	1,597,648,739	\$ 244,141,110
Receivable-Pending Sale of Securities	27,888,104	62,461,958	\$ (34,573,854)
Receivable-Investment Income	9,936,810	9,969,358	\$ (32,547)
Land	245,857,619	245,845,354	\$ 12,265
<b>Total Assets</b>	<b><u>\$ 3,195,222,784</u></b>	<b><u>\$ 3,190,508,172</u></b>	<b><u>\$ 4,714,613</u></b>
<b>Liabilities:</b>			
Payable - Pending Purchase of Securities	\$ 63,332,265	\$ 79,408,665	\$ (16,076,400)
Payable - Due to Conservation	1	-	1
<b>Total Liabilities</b>	<b><u>\$ 63,332,266</u></b>	<b><u>\$ 79,408,665</u></b>	<b><u>\$ (16,076,399)</u></b>
<b>Capital:</b>			
Trust Capital	\$ 1,002,449,034	\$ 989,927,822	\$ 12,521,212
Oil and Gas Capital Payments	3,094,408,770	3,086,138,972	8,269,799
Equity Gain Transfers	(770,229,803)	(770,229,803)	-
CMT Transfers (25% of Rainy Day Transfer	(194,737,483)	(194,737,483)	-
<b>Total Capital</b>	<b><u>\$ 3,131,890,518</u></b>	<b><u>\$ 3,111,099,507</u></b>	<b><u>\$ 20,791,011</u></b>
<b>Total Liabilities and Capital</b>	<b><u>\$ 3,195,222,784</u></b>	<b><u>\$ 3,190,508,172</u></b>	<b><u>\$ 4,714,612</u></b>

**Alabama Trust Fund**  
**Comparative Statement of Revenues, Expenditures, Changes in Fund Balance**  
**Quarter Ended September 30, 2019**

	Quarter Ended 9/30/2019	Fiscal Year 2019
	<u>                    </u>	<u>                    </u>
<b>Revenues:</b>		
Investment Income	\$ 12,205,695	\$ 73,344,844
Realized Gains (Losses) on Sale of Securities	33,103,980	145,801,420
Gross Oil and Gas Capital Payments	8,353,333	42,837,457
Repayment of Amendment 856	-	13,500,000
<b>Total Revenues:</b>	<b><u>\$ 53,663,008</u></b>	<b><u>\$ 275,483,720</u></b>
<b>Expenditures:</b>		
Professional Fees	\$ (2,616,192)	\$ (10,016,154)
1% Oil and Gas Capital Payment-Conservation	(83,534)	(428,376)
35% Oil & Gas Capital Payment	-	(16,526,102)
Distributions	(30,184,535)	(170,801,279)
<b>Total Disbursements:</b>	<b><u>\$ (32,884,261)</u></b>	<b><u>\$ (197,771,910)</u></b>
<b>Other Financing Sources(Uses):</b>		
Land Purchase	\$ 12,265	\$ 3,994,521
<b>Beginning Fund Balance</b>	<b><u>\$ 3,111,099,507</u></b>	<b><u>\$ 3,050,184,187</u></b>
<b>Ending Fund Balance</b>	<b><u>\$ 3,131,890,518</u></b>	<b><u>\$ 3,131,890,518</u></b>

**Alabama Trust Fund  
Balance Sheet (unaudited)  
September 30, 2019**

	Year Ended 9/30/2019	Year Ended 9/30/2018	Change
<b>Assets:</b>			
Cash/Cash Equivalents	\$ 82,717,910	\$ 156,038,213	\$ (73,320,303)
Fixed Income Securities	987,032,493	1,042,082,011	(55,049,518)
Equity Securities	1,841,789,849	1,658,211,596	183,578,253
Receivable-Pending Sale of Securities	27,888,104	22,081,807	5,806,297
Receivable-Investment Income	9,936,810	10,273,881	(337,071)
Due From General Fund	-	-	-
Land	245,857,619	241,863,098	3,994,521
<b>Total Assets</b>	<b><u>\$ 3,195,222,784</u></b>	<b><u>\$ 3,130,550,606</u></b>	<b><u>\$ 64,672,178</u></b>
<b>Liabilities:</b>			
Payable - Pending Purchase of Securities	\$ 63,332,265	\$ 80,364,537	\$ (17,032,272)
Payable - Due to Conservation	1	1,883	(1,882)
<b>Total Liabilities</b>	<b><u>\$ 63,332,266</u></b>	<b><u>\$ 80,366,419</u></b>	<b><u>\$ (17,034,153)</u></b>
<b>Capital:</b>			
Trust Capital	\$ 1,002,449,034	\$ 963,151,784	\$ 39,297,250
Oil and Gas Capital Payments	3,094,408,770	3,051,999,689	42,409,081
Reserve for Rainy Day Accounts	-	-	-
Equity Gain Transfers	(770,229,803)	(770,229,803)	-
CMT Transfers (25% of Rainy Day Transfers)	(194,737,483)	(194,737,483)	-
<b>Total Capital</b>	<b><u>\$ 3,131,890,518</u></b>	<b><u>\$ 3,050,184,187</u></b>	<b><u>\$ 81,706,331</u></b>
<b>Total Liabilities and Capital</b>	<b><u>\$ 3,195,222,784</u></b>	<b><u>\$ 3,130,550,606</u></b>	<b><u>\$ 64,672,178</u></b>

## Alabama State Waters Gas Production, Sales, & Price

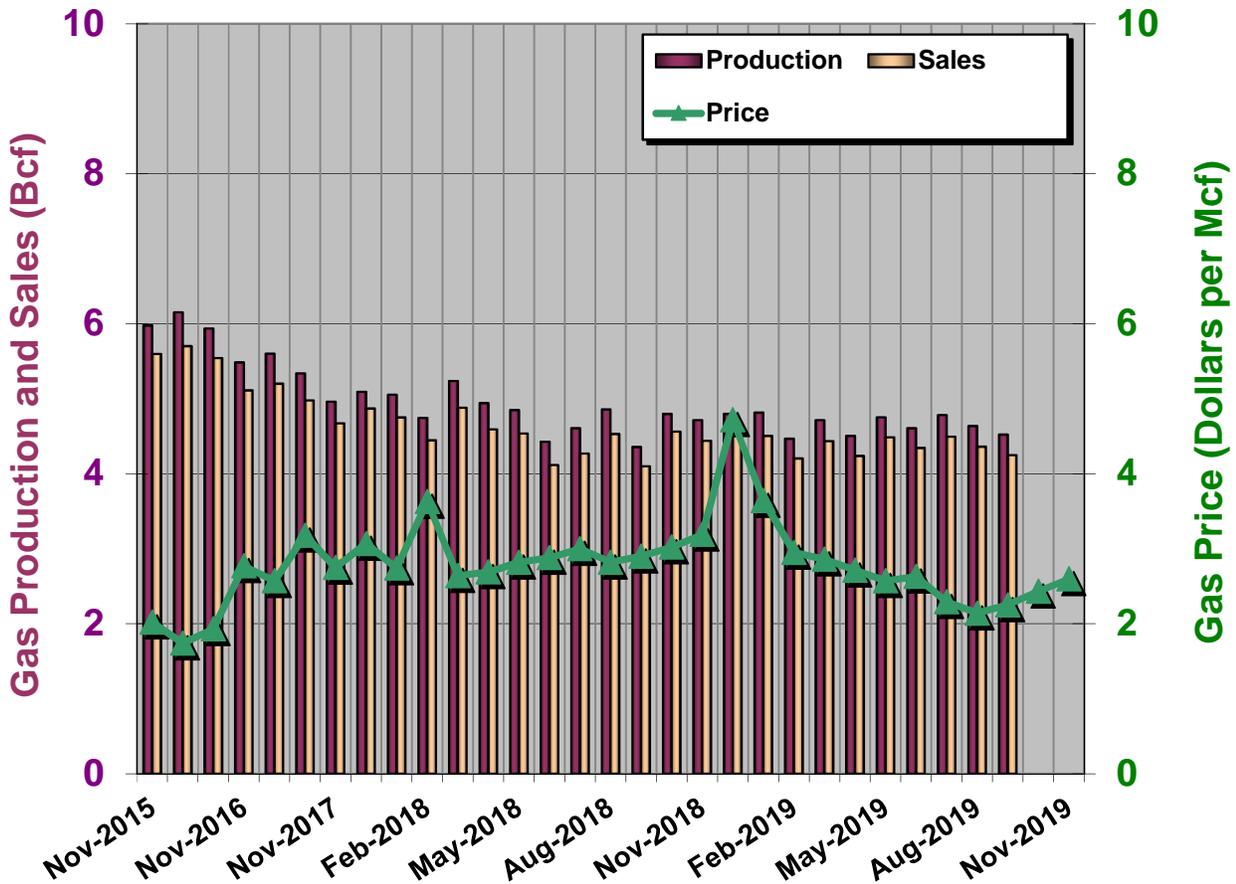


Chart provided by the Alabama Oil and Gas Board

	Current Fiscal Year		Prior Fiscal Year	
	Quarter	Year-to-Date	Quarter	Year-to-Date
Oil & Gas Capital Payments	\$ 8,353,333	\$ 42,837,457	\$ 11,254,346	\$ 47,694,378
Less: Transfer to Lands Division	(83,533)	(428,375)	(112,543)	(476,944)
<b>Total</b>	<b>\$ 8,269,800</b>	<b>\$ 42,409,082</b>	<b>\$ 11,141,802</b>	<b>\$ 47,217,434</b>

**Alabama Trust Fund  
Securities Lending Income  
Quarter Ended September 30, 2019**

<u>Bank of New York Mellon:</u>	<u>Quarter Ended 9/30/2019</u>	<u>Fiscal Year 2019</u>
Gross Revenues	\$ 938,064	\$ 4,863,738
Broker Rebates	<u>(843,465)</u>	<u>(4,248,235)</u>
Net Earnings	94,599	615,504
BNY Mellon Share	<u>(18,910)</u>	<u>(123,045)</u>
Paid To ATF	<u>\$ 75,688</u>	<u>\$ 492,459</u>
% of Net Income Paid To ATF	80%	80%
% of Broker Rebates Returned	90%	87%
<u>RSA at State Street:</u>		
Gross Revenues	\$ 28,636	\$ 159,376
Broker Rebates	<u>(16,797)</u>	<u>(91,593)</u>
Net Earnings	11,839	67,782
RSA Share	<u>(3,535)</u>	<u>(19,835)</u>
Paid To ATF	<u>\$ 8,304</u>	<u>\$ 47,947</u>
% of Net Income Paid To ATF	70%	71%
% of Broker Rebates Returned	59%	57%
<b>Total Securities Lending Income</b>		
<b>Paid to ATF</b>	<u>\$ 83,993</u>	<u>\$ 540,406</u>

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**Downgrades**

<u>Security</u>	<u>PAR Amount</u>	<u>Rating Agency</u>	<u>Credit Rating</u>	<u>Date</u>	<u>Maturity Date</u>
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**Forever Wild Land Trust Stewardship Account  
Investment Report  
September 30, 2019**

	<u>Market Value</u>
BNYM Money Market	\$ 133,601
WAMCO Core Plus Fund	25,936,773
SSgA Russell 3000	6,848,502
SSgA Global Equity	3,113,952
Interest Receivable	223
<b>Total Fund</b>	<b>\$ 36,033,050</b>

Notes To The Report:

- 1) Amendment 543 states that The Alabama Trust Fund Board shall establish a separate account within the Alabama Trust Fund to be known as the Forever Wild Land Trust Stewardship Account (Stewardship Account). When the Forever Wild Land Trust acquires property or an interest in property pursuant to this Amendment, the Board of Trustees of the Forever Wild Land Trust shall set aside an amount from the Forever Wild Land Trust equal to fifteen percent (15%) of the appraised value of the land acquired, or the land affected if less than a fee interest was acquired.
- 2) The Alabama Trust Fund Board shall provide for the investment of the Stewardship Account.
- 3) The Board of Trustees of the Alabama FWLT may expend these funds.

**Fund Performance  
September 30, 2019**

	<u>Last Quarter</u>	<u>Benchmark</u>	<u>Plus/Minus</u>
BNYM MM Current Yield APR	1.78%	N/A	N/A
WAMCO Core Plus Fund	2.47%	2.27%	0.20%
SSgA Russell 3000	1.20%	1.16%	0.04%
SSgA Global Equity	-1.87%	-1.80%	-0.07%
	<u>1 Year</u>	<u>Benchmark</u>	<u>Plus/Minus</u>
WAMCO Core Plus Fund	12.21%	10.30%	1.91%
SSgA Russell 3000	3.00%	2.92%	0.08%
SSgA Global Equity	-1.22%	-1.23%	0.01%

Notes to the report:

- 1) The financial performance data was provided by Investment Managers.
- 2) Current Portfolio inception date February 2018

**Alabama Capital Improvement Trust Fund  
Investment Report  
September 30, 2019**

	<u>Market Value</u>
<b>Cash and Equivalents:</b>	
Cash/Cash Equivalents	\$ 3,034,346
<b>Investments:</b>	
U S Gov't & Agencies	1,556,658
Mortgage Backed Securities	40,240
<b>Total Fund</b>	<b>\$ 4,631,244</b>

Notes To The Report:

- 1) Short Term investments include Federated Government Obligations and Fidelity Government Money Market Funds. Fixed income investments are invested in the Regions Government Enhanced Cash Fund.
- 2) Funded by 28% of annual Oil and Gas Capital Payments received by the Alabama Trust Fund
- 3) "Funds in the Alabama Capital Improvement Trust Fund shall be invested by the Board of Trustees in such kinds of investments as are authorized for the investment of the Alabama Trust Fund."
- 4) All income deposited into the General Fund monthly.
- 5) Funds may be appropriated for capital improvements as defined by Amendment 666.

**Fund Performance**

	<u>Fund</u>	<u>Barclays 1-3 Yr Gov't Index</u>	<u>Plus/Minus</u>
Last Quarter	0.77%	0.59%	0.18%
1 Year	4.53%	4.42%	0.11%
3 Years	1.65%	1.54%	0.11%
Since Inception	2.33%	2.26%	0.07%

Notes to the report:

- 1) The financial performance data was provided by Regions Investment Management.
- 2) Returns are time-weighted total returns, net of fees and returns longer than 1 year are annualized.
- 3) Portfolio inception date September 30, 2009

**Alabama Trust Fund Rainy Day Accounts**

**Education Trust Fund**

**FY2019**

Prior Year Appropriated Amount:	\$ 6,986,863,979
Annual Available Fund Balance:	454,146,159

\*Rainy Day account equals 6.5% of the prior year's appropriations.  
Amounts supplied by Budget Office and are to be repaid within 6 years.

**General Fund**

**FY2019**

Prior Year Appropriated Amount:	\$ 2,122,951,856
Annual Available Fund Balance:	212,295,186

\*Rainy Day account equals 10% of the prior year's appropriations.  
Amounts supplied by Budget Office and are to be repaid within 10 years.

**General Fund  
Amendment 856 Repayment**

Withdrawals:	
FY 2013	\$ 145,796,943
FY 2014	145,796,943
FY 2015	<u>145,796,943</u>
 Total Withdrawals from ATF:	 \$ 437,390,829
 Repayments:	
FY 2014	\$ (5,000,000)
FY 2015	(10,000,000)
FY 2017	(238,434,126)
FY 2019	<u>(13,500,000)</u>
 Total Repayments to the ATF:	 \$ (266,934,126)
 <b>Amount Due From General Fund:</b>	 <b>170,456,703</b>

**Repayment Schedule**

Fiscal year:	
2020-2031	\$ 13,500,000
2032	<u>8,456,703</u>
 Total:	 \$ 170,456,703

\*Note: \$13,500,000 to be paid annually until 2031

**ALABAMA TRUST FUND  
DISTRIBUTION SCHEDULE  
FY 2020**

Total Distributions by Fund	
General Fund	\$ 114,945,747.60
County Government Capital Improvement Fund	16,448,828.81
Municipal Government Capital Improvement Fund	16,448,828.81
Forever Wild Land Trust	15,000,000.00
Senior Services Trust Fund	1,644,882.88
Total Distributions	\$ 164,488,288.10

Total Distributions by Quarter	
First Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	411,220.72
General Fund	28,736,436.90
Total	\$ 32,897,657.62
Second Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	411,220.72
General Fund	28,736,436.90
Total	\$ 32,897,657.62
Third Quarter	
County Government Capital Improvement Fund	\$ 16,448,828.81
Municipal Government Capital Improvement Fund	16,448,828.81
Forever Wild (capped @ \$15 million) until FY 2032	3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	411,220.72
General Fund	28,736,436.90
Total	\$ 65,795,315.24
Fourth Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	411,220.72
General Fund	28,736,436.90
Total	\$ 32,897,657.62
Total Distributions	\$ 164,488,288.10

**ALABAMA TRUST FUND  
DISTRIBUTION SCHEDULE  
FY 2021**

Total Distributions by Fund	
General Fund	\$ 123,577,184.70
County Government Capital Improvement Fund	17,541,415.78
Municipal Government Capital Improvement Fund	17,541,415.78
Forever Wild Land Trust	15,000,000.00
Senior Services Trust Fund	1,754,141.58
Total Distributions	\$ 175,414,157.85
Total Distributions by Quarter	
First Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	438,535.39
General Fund	30,894,296.18
Total	\$ 35,082,831.57
Second Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	438,535.39
General Fund	30,894,296.18
Total	\$ 35,082,831.57
Third Quarter	
County Government Capital Improvement Fund	\$ 17,541,415.78
Municipal Government Capital Improvement Fund	17,541,415.78
Forever Wild (capped @ \$15 million) until FY 2032	3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	438,535.39
General Fund	30,894,296.18
Total	\$ 70,165,663.14
Fourth Quarter	
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	438,535.39
General Fund	30,894,296.18
Total	\$ 35,082,831.57
Total Distributions	\$ 175,414,157.85

**CMT FUND  
DISTRIBUTION SCHEDULE  
FY 2020**

Total Amount of Distribution	<u>\$ 24,372,497.98</u>
April 2020 Distribution	
County Government Capital Improvement Fund	\$ 12,186,248.99
Municipal Government Capital Improvement Fund	<u>12,186,248.99</u>
Total Distributions	<u><u>\$ 24,372,497.98</u></u>

Distributions made accordance with Amendment 856 from  
County and Municipal Government Capital Improvement Trust Fund (CMT)

## Transfer of Royalties in accordance with Amendment 666

**Calculation of Amount to be Transferred:**

Gross Oil and Gas Royalties	\$ 42,837,456.59
Less: 1% Paid to Conservation	<u>(428,374.57)</u>
FY11 Net Oil/Gas Royalties	<u><u>\$ 42,409,082.02</u></u>
<b>Total Amount Distributed (35%) in October 2018</b>	<b>\$ 14,843,178.71</b>

County & Municipal Government Capital Improvement Trust Fund (7%)	\$ 2,968,635.74
Alabama Government Capital Improvement Trust Fund (28%)	<u>11,874,542.97</u>
Total Amount Distributed in October 2018	<u><u>\$ 14,843,178.71</u></u>

Amendment No. 666: Section IV

Beginning on October 1 immediately following the ratification of this amendment, 35% of all Oil and Gas Capital Payments paid into the Alabama Trust Fund in any fiscal year shall be transferred by the State treasurer to the special trust funds created by this amendment in the following manner: (a) an amount equal to seven percent (7%) of all Oil and Gas Capital Payments received by the Alabama Trust Fund during the preceding fiscal year shall be paid into the County and Municipal Government Capital Improvement Trust Fund; and (b) an amount to twenty-eight percent (28%) of all Oil and Gas Capital Payments received by the Alabama Trust Fund during the preceding fiscal year shall be paid into the Alabama Capital Improvement Trust Fund.

**ALABAMA TRUST FUND  
ANNUAL HISTORICAL REPORT  
UNAUDITED**

	FY19	FY18	FY17	FY16	FY15
<b>Royalties</b>					
Gross Royalties	42,837,457	47,694,378	47,705,398	43,391,160	61,366,127
Less: State Lands 1% Settlement Received	(428,375)	(476,944)	(477,054)	(433,912)	(613,661)
Net Royalties Received	N/A	N/A	N/A	N/A	N/A
	<u>42,409,082</u>	<u>47,217,434</u>	<u>47,228,344</u>	<u>42,957,248</u>	<u>60,752,466</u>
<b>Transfers from the Alabama Trust Fund</b>					
General Fund (90% of Income prior to FY13)	104,228,915	96,782,802	98,040,084	103,310,045	100,933,482
Foreverwild (10% of Income prior to FY13)	15,000,000	14,026,493	14,208,708	14,972,470	14,628,041
Income reverted to ATF (Prior to FY13)	N/A	N/A	N/A	N/A	N/A
Cities (10% of Income prior to FY13)	15,092,268	14,026,493	14,208,708	14,972,470	14,628,041
Counties (10% of Income prior to FY13)	15,092,268	14,026,493	14,208,708	14,972,470	14,628,041
Senior Services	1,509,227	1,402,649	1,420,871	1,497,247	1,462,804
Ala. Capital Improvement Trust Fund (28% of prior year royalties)	13,220,882	13,223,936	12,028,030	17,010,690	24,408,785
Ala. Capital Improvement Trust Fund (Armory Bonds Debt Service)	6,371,254	5,927,200	1,397,259	N/A	N/A
County Municipal Trust Fund (7% of prior year royalties)	3,305,220	3,305,984	3,007,007	4,252,673	6,102,196
General Fund (Amendment 856)	(13,500,000)	N/A	(238,434,126)	N/A	135,796,943
Capital Gains (Prior to FY13)	N/A	N/A	N/A	N/A	N/A
ETF Rainy Day Account	N/A	N/A	N/A	N/A	(92,588,873)
General Fund Rainy Day Account	N/A	N/A	(161,565,874)	N/A	N/A
Total Transfers	<u>160,320,033</u>	<u>162,722,051</u>	<u>(241,480,625)</u>	<u>170,988,066</u>	<u>219,999,460</u>
<b>Transfers from County and Municipal Trust Fund</b>					
Cities (50% of CMT Fund Income prior to FY13)	11,622,699	11,298,216	11,075,555	11,004,948	10,637,279
Counties (50% of CMT Fund Income prior to FY13)	11,622,699	11,298,216	11,075,555	11,004,948	10,637,279
Total Transfer from CMT Fund	<u>23,245,397</u>	<u>22,596,431</u>	<u>22,151,110</u>	<u>22,009,896</u>	<u>21,274,558</u>
<b>Book Value of Assets excluding Land</b>	<u>2,949,365,165</u>	<u>2,888,687,508</u>	<u>2,848,494,689</u>	<u>2,482,604,737</u>	<u>2,522,952,228</u>
(Includes Non-Invested Assets)					
<b>Market Value of Investments</b>	<u>3,294,377,466</u>	<u>3,244,384,950</u>	<u>3,146,387,231</u>	<u>2,543,619,915</u>	<u>2,430,232,273</u>
(MV of Invested Assets provided by Callan)					
<b>Investment Manager Returns for FY</b>	5.73%	6.99%	11.55%	10.61%	-0.09%