

**Alabama Trust Fund
Balance Sheet (unaudited)
September 30, 2020**

	Quarter Ended		Change
	9/30/2020	6/30/2020	
Assets:			
Cash/Cash Equivalents	\$ 106,622,156	\$ 93,789,267	\$ 12,832,889
Fixed Income Securities	926,225,906	931,418,335	\$ (5,192,429)
Equity Securities	1,834,212,381	1,850,915,679	\$ (16,703,298)
Receivable-Pending Sale of Securities	39,989,553	20,226,784	\$ 19,762,769
Receivable-Investment Income	9,093,664	9,207,059	\$ (113,395)
Land	266,649,528	261,320,502	\$ 5,329,026
Total Assets	<u>\$ 3,182,793,189</u>	<u>\$ 3,166,877,626</u>	<u>\$ 15,915,562</u>
Liabilities:			
Payable - Pending Purchase of Securities	\$ 35,651,524	\$ 37,589,206	\$ (1,937,682)
Total Liabilities	<u>\$ 35,651,524</u>	<u>\$ 37,589,206</u>	<u>\$ (1,937,682)</u>
Capital:			
Trust Capital	\$ 1,006,748,390	\$ 993,496,337	\$ 13,252,053
Oil and Gas Capital Payments	3,105,360,561	3,100,759,370	4,601,191
Equity Gain Transfers	(770,229,803)	(770,229,802)	-
CMT Transfers (25% of Rainy Day Transfers)	(194,737,483)	(194,737,483)	-
Total Capital	<u>\$ 3,147,141,665</u>	<u>\$ 3,129,288,421</u>	<u>\$ 17,853,244</u>
Total Liabilities and Capital	<u>\$ 3,182,793,189</u>	<u>\$ 3,166,877,626</u>	<u>\$ 15,915,562</u>

Alabama Trust Fund
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance
Quarter Ended September 30, 2020

	Quarter Ended 9/30/2020	Fiscal Year 2020
Revenues:		
Investment Income	\$ 11,457,310	\$ 43,960,922
Realized Gains (Losses) on Sale of Securities	31,700,087	111,314,062
Gross Oil and Gas Capital Payments	4,647,668	26,055,524
Repayment of Amendment 856	-	13,500,000
Total Revenues:	\$ 47,805,065	\$ 194,830,508
 Expenditures:		
Professional Fees	\$ (2,336,713)	\$ (9,584,924)
1% Oil and Gas Capital Payment-Conservation	(46,512)	(260,591)
35% Oil & Gas Capital Payment	-	(14,843,179)
Distributions	(32,897,622)	(175,682,578)
Total Disbursements:	\$ (35,280,847)	\$ (200,371,271)
 Other Financing Sources(Uses):		
Land Purchase	\$ 5,329,026	\$ 15,462,884
Beginning Fund Balance	\$ 3,129,288,421	\$ 3,131,890,519
Ending Fund Balance	\$ 3,147,141,665	\$ 3,141,812,640

**Alabama Trust Fund
Balance Sheet (unaudited)
September 30, 2020**

	Year Ended 9/30/2020	Year Ended 9/30/2019	Change
Assets:			
Cash/Cash Equivalents	\$ 106,622,156	\$ 82,717,910	\$ 23,904,246
Fixed Income Securities	926,225,906	987,032,493	(60,806,587)
Equity Securities	1,834,212,381	1,841,789,849	(7,577,468)
Receivable-Pending Sale of Securities	39,989,553	27,888,104	12,101,449
Receivable-Investment Income	9,093,664	9,936,810	(843,146)
Due From General Fund	-	-	-
Land	266,649,528	245,857,619	20,791,909
Total Assets	<u>\$ 3,182,793,189</u>	<u>\$ 3,195,222,784</u>	<u>\$ (12,429,596)</u>
Liabilities:			
Payable - Pending Purchase of Securities	\$ 35,651,524	\$ 63,332,265	\$ (27,680,741)
Total Liabilities	<u>\$ 35,651,524</u>	<u>\$ 63,332,265</u>	<u>\$ (27,680,741)</u>
Capital:			
Trust Capital	\$ 1,006,748,390	\$ 1,002,449,034	\$ 4,299,356
Oil and Gas Capital Payments	3,105,360,561	3,094,408,771	10,951,790
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)	-
Total Capital	<u>\$ 3,147,141,665</u>	<u>\$ 3,131,890,519</u>	<u>\$ 15,251,146</u>
Total Liabilities and Capital	<u>\$ 3,182,793,189</u>	<u>\$ 3,195,222,784</u>	<u>\$ (12,429,596)</u>

Alabama State Waters Gas Production, Sales, & Price

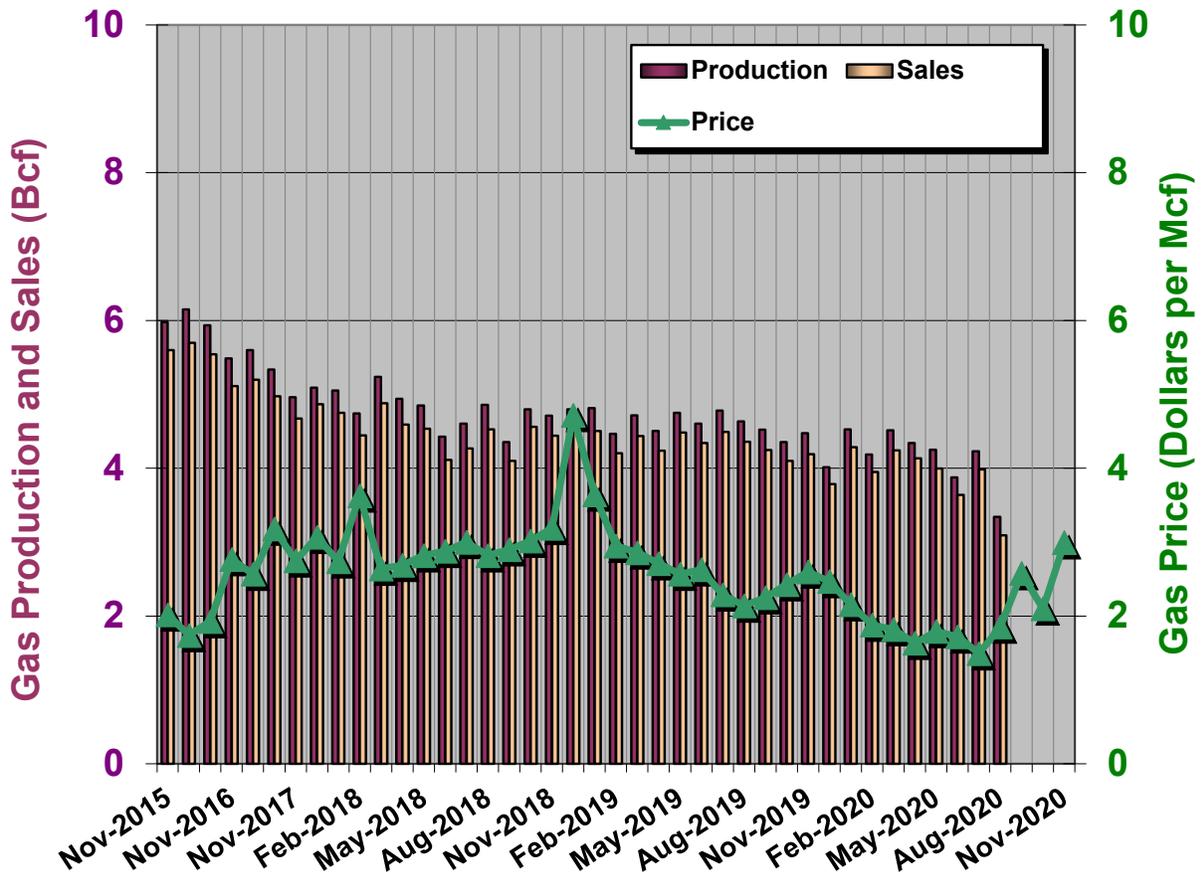


Chart provided by the Alabama Oil and Gas Board

	Current Fiscal Year		Prior Fiscal Year	
	Quarter	Year-to-Date	Quarter	Year-to-Date
Oil & Gas Capital Payments	\$ 4,647,668	\$ 26,055,524	\$ 8,353,333	\$ 42,837,457
Less: Transfer to Lands Division	(46,477)	(260,555)	(93,418)	(344,841)
Total	\$ 4,601,191	\$ 25,794,969	\$ 8,259,915	\$ 42,492,615

**Alabama Trust Fund
Securities Lending Income
Quarter Ended September 30, 2020**

<u>Bank of New York Mellon:</u>	<u>Quarter Ended 9/30/2020</u>	<u>Fiscal Year 2020</u>
Gross Revenues	\$ 90,096	\$ 1,782,202
Broker Rebates	26,970	(1,219,694)
Net Earnings	117,067	562,508
BNY Mellon Share	(23,406)	(112,472)
Paid To ATF	<u>\$ 93,660</u>	<u>\$ 450,036</u>
% of Net Income Paid To ATF	80%	80%
% of Broker Rebates Returned	-30%	68%
<u>RSA at State Street:</u>		
Gross Revenues	\$ 21,994	\$ 72,941
Broker Rebates	(1,404)	(16,959)
Net Earnings	20,590	55,982
RSA Share	(6,159)	(18,081)
Paid To ATF	<u>\$ 14,431</u>	<u>\$ 37,901</u>
% of Net Income Paid To ATF	70%	68%
% of Broker Rebates Returned	6%	23%
Total Securities Lending Income Paid to ATF	<u>\$ 108,091</u>	<u>\$ 487,937</u>

Downgrades

<u>Security</u>	<u>PAR Amount</u>	<u>Rating Agency</u>	<u>Credit Rating Date</u>	<u>Maturity Date</u>
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**Forever Wild Land Trust Stewardship Account
Investment Report
September 30, 2020**

Market Value

	Quarter Ended 9/30/2020	Previous Quarter 6/30/2020
BNYM Money Market	\$ 85,182	\$ 98,493
WAMCO Core Plus Fund	29,036,229	28,431,284
SSgA Russell 3000	8,706,983	7,973,414
SSgA Global Equity	4,262,182	3,994,227
Interest Receivable	1	11
Total Fund	<u>\$ 42,090,577</u>	<u>\$ 40,497,428</u>

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.
- 4) Forever Wild Land Trust added \$2,500,000 to the investments May 2020

**Fund Performance
September 30, 2020**

	<u>Last Quarter</u>	<u>Benchmark</u>	<u>Plus/Minus</u>
BNYM MM Current Yield APR	0.01%	N/A	N/A
WAMCO Core Plus Fund	2.13%	0.62%	1.51%
SSgA Russell 3000	9.20%	9.21%	-0.01%
SSgA Global Equity	6.71%	6.80%	-0.09%
	<u>1 Year</u>	<u>Benchmark</u>	<u>Plus/Minus</u>
WAMCO Core Plus Fund	8.94%	6.98%	1.96%
SSgA Russell 3000	14.91%	15.00%	-0.09%
SSgA Global Equity	3.53%	3.39%	0.14%

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, 2020**

Market Value

	Quarter Ended 9/30/2020	Previous Quarter 3/31/2020
Cash and Equivalents:		
Cash/Cash Equivalents	\$ 1,899,077	\$ 1,916,558
Investments:		
U S Gov't & Agencies	1,593,065	1,573,151
Mortgage Backed Securities	26,332	30,128
Total Fund	<u>\$ 3,518,474</u>	<u>\$ 3,519,837</u>

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	0.20%	0.10%	0.10%
1 Year	3.51%	3.62%	-0.11%
3 Years	2.64%	2.66%	-0.02%
Since Inception	1.50%	1.42%	0.08%

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

FY2021

Prior Year Appropriated Amount:	\$ 7,739,751,975
Annual Available Fund Balance:	503,083,878

*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

FY2021

Prior Year Appropriated Amount:	\$ 2,329,397,811
Annual Available Fund Balance:	232,939,781

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

Debt Service - National Guard Amory Bonds

General Obligation - Series 2018-C

Initial Principal Balance	\$23,305,000
Current Outstanding Principal Balance	14,680,000
Initial Balance (Including Interest)	26,781,804
Total Debt Service Payments	<u>(10,976,304)</u>
Current Outstanding Balance	15,805,500

Debt Service Payment Schedule GO Series 2018-C

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
5/1/2019		446,679	446,679	Paid
11/1/2019	4,205,000	582,625	4,787,625	Paid
5/1/2020		477,500	477,500	Paid
11/1/2020	4,420,000	477,500	4,897,500	Paid
5/1/2021		367,000	367,000	
11/1/2021	4,650,000	367,000	5,017,000	
5/1/2022		250,750	250,750	
11/1/2022	4,890,000	250,750	5,140,750	
5/1/2023		128,500	128,500	
11/1/2023	5,140,000	128,500	5,268,500	
Totals:	<u>\$ 23,305,000</u>	<u>\$ 3,476,804</u>	<u>\$ 26,781,804</u>	

General Obligation - Series 2016-B

Initial Principal Balance	\$26,695,000
Current Outstanding Principal Balance	5,840,000
Initial Balance (Including Interest)	31,031,284
Total Debt Service Payments	<u>(25,103,684)</u>
Current Outstanding Balance	5,927,600

Debt Service Payment Schedule GO Series 2016-B

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
11/1/2016		788,284	788,284	Paid
5/1/2017		608,975	608,975	Paid
11/1/2017	4,830,000	608,975	5,438,975	Paid
5/1/2018		488,225	488,225	Paid
11/1/2018	5,075,000	488,225	5,563,225	Paid
5/1/2019		361,350	361,350	Paid
11/1/2019	5,340,000	361,350	5,701,350	Paid
5/1/2020		227,850	227,850	Paid
11/1/2020	5,610,000	227,850	5,837,850	Paid
5/1/2021		87,600	87,600	
11/1/2021	5,840,000	87,600	5,927,600	
Totals:	<u>\$ 20,855,000</u>	<u>\$ 4,336,284</u>	<u>\$ 31,031,284</u>	

**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	(13,500,000)
FY 2020	<u>(13,500,000)</u>

Total Repayments to the ATF: \$ (280,434,126)

Amount Due From General Fund: 156,956,703

Repayment Schedule

Fiscal year:

2022-2031	\$ 13,500,000
2032	<u>8,456,703</u>

Total: \$ 156,956,703

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

**Note: Payments received in FY19 and FY20 were made 1 year in advance. Due to the uncertainty of the impact Covid-19 might have on General Fund revenues, an early payment will not be made in FY21

**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	<u>1,754,141.58</u>
Total Distributions	\$ <u>175,414,157.85</u>

Total Distributions by Quarter		
First Quarter		
Forever Wild (capped @ \$15 million) until FY 2032	\$ 3,750,000.00	PAID - 10/2/2020
Senior Services Trust Fund (capped @ \$5 million)	438,535.39	
General Fund	<u>30,894,296.18</u>	
Total	\$ <u>35,082,831.57</u>	
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	<u>30,894,296.18</u>	
Total	\$ <u>35,082,831.57</u>	
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	<u>30,894,296.18</u>	
Total	\$ <u>70,165,663.14</u>	
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	<u>30,894,296.18</u>	
Total	\$ <u>35,082,831.57</u>	
Total Distributions	\$ 175,414,157.85	

**ALABAMA TRUST FUND
DISTRIBUTION SCHEDULE
FY 2022**

First Quarter

Forever Wild (capped @ \$15 million) until FY 2032	3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	435,126.00
General Fund	<u>30,624,953.62</u>
Total	34,810,079.61

Second Quarter

Forever Wild (capped @ \$15 million) until FY 2032	3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	435,126.00
General Fund	<u>30,624,953.62</u>
Total	34,810,079.61

Third Quarter

County Government Capital Improvement Fund	17,405,039.81
Municipal Government Capital Improvement Fund	17,405,039.81
Forever Wild (capped @ \$15 million) until FY 2032	3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	435,126.00
General Fund	<u>30,624,953.62</u>
Total	69,620,159.23

Fourth Quarter

Forever Wild (capped @ \$15 million) until FY 2032	3,750,000.00
Senior Services Trust Fund (capped @ \$5 million)	435,126.00
General Fund	<u>30,624,953.62</u>
Total	34,810,079.61

Total Distributions	\$ 174,050,398.07
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**CMT FUND
DISTRIBUTION SCHEDULE
FY 2021**

Total Amount of Distribution	<u>\$ 25,131,192.43</u>
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April 2021 Distribution

County Government Capital Improvement Fund	\$ 12,565,596.22
Municipal Government Capital Improvement Fund	<u>12,565,596.22</u>

Total Distributions	<u>\$ 25,131,192.43</u>
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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	\$	26,055,523.88
Less: 1% Paid to Conservation		(260,555.24)
FY11 Net Oil/Gas Royalties	\$	25,794,968.64
Total Amount Distributed (35%) in October 2020	\$	9,028,239.02

County & Municipal Government Capital Improvement Trust Fund (7%)	\$	1,805,647.80
Alabama Government Capital Improvement Trust Fund (28%)		7,222,591.22
Total Amount Distributed in October 2020	\$	9,028,239.02

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**

	FY20	FY19	FY18	FY17	FY16
Royalties					
Gross Royalties	26,055,524	42,837,457	47,694,378	47,705,398	43,391,160
Less: State Lands 1%	(260,555)	(428,375)	(476,944)	(477,054)	(433,912)
Settlement Received	N/A	N/A	N/A	N/A	N/A
Net Royalties Received	<u>25,794,969</u>	<u>42,409,082</u>	<u>47,217,434</u>	<u>47,228,344</u>	<u>42,957,248</u>
Transfers from the Alabama Trust Fund					
General Fund (90% of Income prior to FY13)	114,945,748	104,228,915	96,782,802	98,040,084	103,310,045
Foreverwild (10% of Income prior to FY13)	15,000,000	15,000,000	14,026,493	14,208,708	14,972,470
Income reverted to ATF (Prior to FY13)	N/A	N/A	N/A	N/A	N/A
Cities (10% of Income prior to FY13)	16,448,829	15,092,268	14,026,493	14,208,708	14,972,470
Counties (10% of Income prior to FY13)	16,448,829	15,092,268	14,026,493	14,208,708	14,972,470
Senior Services	1,644,883	1,509,227	1,402,649	1,420,871	1,497,247
Ala. Capital Improvement Trust Fund (28% of prior year royalties)	11,874,543	13,220,882	13,223,936	12,028,030	17,010,690
Ala. Capital Improvement Trust Fund (Armory Bonds Debt Service)	11,194,325	6,371,254	5,927,200	1,397,259	N/A
County Municipal Trust Fund (7% of prior year royalties)	2,968,636	3,305,220	3,305,984	3,007,007	4,252,673
General Fund (Amendment 856)	(13,500,000)	(13,500,000)	N/A	(238,434,126)	N/A
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	N/A
General Fund Rainy Day Account	N/A	N/A	N/A	(161,565,874)	N/A
Total Transfers	<u>177,025,792</u>	<u>160,320,033</u>	<u>162,722,051</u>	<u>(241,480,625)</u>	<u>170,988,066</u>
Transfers from County and Municipal Trust Fund					
Cities (50% of CMT Fund Income prior to FY13)	12,186,249	11,622,699	11,298,216	11,075,555	11,004,948
Counties (50% of CMT Fund Income prior to FY13)	12,186,249	11,622,699	11,298,216	11,075,555	11,004,948
Total Transfer from CMT Fund	<u>24,372,498</u>	<u>23,245,397</u>	<u>22,596,431</u>	<u>22,151,110</u>	<u>22,009,896</u>
Book Value of Assets excluding Land	<u>2,916,143,661</u>	<u>2,949,365,165</u>	<u>2,888,687,508</u>	<u>2,848,494,689</u>	<u>2,482,604,737</u>
(Includes Non-Invested Assets)					
Market Value of Investments	<u>3,393,521,089</u>	<u>3,294,377,466</u>	<u>3,244,384,950</u>	<u>3,146,387,231</u>	<u>2,543,619,915</u>
(MV of Invested Assets provided by Callan)					
Investment Manager Returns for FY	8.39%	5.73%	6.99%	11.55%	10.61%