OFFICIAL STATEMENT

NEW ISSUE – BOOK ENTRY ONLY

Rating: Standard & Poor's: AA
(BAM Insured)
Underlying Rating: Moody's: A1
(See "RATINGS" herein)

In the opinion of Bond Counsel, assuming continuing compliance by the Board with certain conditions imposed by the Internal Revenue Code of 1986, referred to herein under "Tax Matters," the interest income on the Bonds (i) will be excludable from gross income of the recipients thereof for federal income tax purposes, and (ii) will not be an item of tax preference for purposes of the alternative minimum tax on individuals and corporations. However, see "TAX MATTERS" herein for certain other federal tax consequences to the recipients of the interest income on the Bonds. Bond Counsel is of the further opinion that the interest income on the Bonds is, under existing statutes and regulations, exempt from Alabama income taxation.

BOARD OF TRUSTEES OF THE ALABAMA COMMUNITY COLLEGE SYSTEM

$5,485,000
Central Alabama Community College
Revenue Refunding Bonds
Series 2021

Dated: May 18, 2021

Due: June 1, as shown on the inside cover

Interest on the Bonds is payable semiannually on June 1 and December 1 in each year, commencing December 1, 2021. The Bonds when issued will be issued in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("***DTC***"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry form. Except as herein described purchasers will not receive certificates representing their beneficial interests in the Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal and interest will be made directly to DTC or to such nominee. Disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of Direct Participants and Indirect Participants of DTC, all as more fully described herein. The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The Bonds will be special limited obligations of the Board of Trustees of the Alabama Community College System, payable from and secured by a lien upon and pledge of the Pledged Revenues and the Bond Fund, as described herein. Neither the Bonds nor the pledge of the said fees and the other agreements provided in the authorizing proceedings shall be or constitute an obligation of any nature whatsoever of the State of Alabama or any political subdivision or agency thereof, or be payable out of any monies appropriated by the State to the Alabama Community College System or to Central Alabama Community College.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY. See "BOND INSURANCE" herein.

BAM
BUILD AMERICA MUTUAL

See inside front cover for information on maturity dates, principal amounts, interest rates and yields.

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Board, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality of the Bonds by Hand Arendall Harrison Sale LLC, Mobile, Alabama, Bond Counsel. Certain legal matters will be passed on for the Underwriter by its counsel, Maynard, Cooper & Gale, P.C., Birmingham, Alabama. It is expected that the Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about May 18, 2021.

STIFEL

May 12, 2021

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS AND INITIAL CUSIP NUMBERS

$5,485,000
Board of Trustees of the Alabama Community College System
Central Alabama Community College
Revenue Refunding Bonds
Series 2021

Year of Maturity	Amount Maturing	Interest Rate	Yield	Cusip*
2022	$ 270,000	3.000%	0.360%	01025PKF9
2023	280,000	3.000%	0.440%	01025PKG7
2024	290,000	3.000%	0.610%	01025PKH5
2025	300,000	3.000%	0.780%	01025PKJ1
2026	210,000	3.000%	0.930%	01025PKK8
2027	215,000	3.000%	1.070%	01025PKL6
2028	220,000	4.000%	1.220%	01025PKM4
2029	230,000	4.000%	1.360%	01025PKN2
2030	240,000	4.000%	1.490%	01025PKP7
2031	250,000	4.000%	1.570%	01025PKQ5

4.000%	$530,000 Term Bonds maturing June 1, 2033 to Yield 1.670%	Cusip* 01025PKR3
3.000%	$570,000 Term Bonds maturing June 1, 2035 to Yield 1.770%	Cusip* 01025PKS1
2.000%	$605,000 Term Bonds maturing June 1, 2037 to Yield 2.080%	Cusip* 01025PKT9
2.000%	$625,000 Term Bonds maturing June 1, 2039 to Yield 2.160%	Cusip* 01025PKU6
2.125%	$650,000 Term Bonds maturing June 1, 2041 to Yield 2.280%	Cusip* 01025PKV4

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ALABAMA COMMUNITY COLLEGE SYSTEM

Chancellor

Jimmy H. Baker

President of Central Alabama Community College

Jeff Lynn

Bond Counsel

Hand Arendall Harrison Sale LLC
Mobile, Alabama

Underwriter's Counsel

Maynard, Cooper & Gale, P.C.
Birmingham, Alabama

Underwriter

Stifel, Nicolaus & Company, Incorporated
Montgomery, Alabama

No dealer, broker, salesman or any other person has been authorized by the Board, the College or the Underwriter to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been furnished by the College and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Board, the College or the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create an implication that there has been no change in the affairs of the Board, the College, or the Underwriter since the date hereof.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX D - Specimen Municipal Bond Insurance Policy".

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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INTRODUCTION

This Official Statement, including the cover page and Appendices, is furnished by the Board of Trustees of the Alabama Community College System (the "***Board***") to provide certain information in connection with the sale by the Board of its Central Alabama Community College Revenue Refunding Bonds, Series 2021, in the aggregate principal amount of $5,485,000 (the "***Bonds***"). The Bonds are to be issued pursuant to a resolution adopted by the Board on March 10, 2021 (the "***Authorizing Proceedings***") and a Definitive Terms Certificate to be delivered on the date of issuance as authorized under the Authorizing Proceedings.

The Bonds are limited obligations of the Board payable solely from and secured by a pledge of, revenues from tuition and certain fees payable by students enrolled at Central Alabama Community College (the "***College***"), a public, state supported, comprehensive two-year community college located in east central Alabama with campuses in Alexander City, Childersburg, Prattville and Talladega, Alabama. See "THE BONDS—Security".

Transfer of Control of System

On March 12, 2015, the governance of the Alabama Community College System was transferred from the State Board of Education of the State of Alabama (the "***State Board of Education***") to the Board. Pursuant to Act 2015-125 of the Alabama Legislature (the "***ACCS Act***"), the Board has assumed all obligations of the State Board of Education with respect to bonds issued by the State Board of Education for the benefit of any community or technical college prior to the effective date of the ACCS Act. As provided by the ACCS Act, the Board and the State Board of Education executed an Agreement Concerning Outstanding Bonds, dated September 10, 2015, which provides for the rights and obligations of the State Board of Education and the Board with respect to such obligations, including without limitation compliance by the Board with the authorizing resolutions adopted by the State Board of Education with respect to the bonds, compliance by the Board of Trustees with all covenants and agreements of the State Board of Education with respect to the bonds, reimbursement of any payments required to be made by the State Board of Education in connection with any such bonds, and the issuance of obligations by the Board on parity of pledge of revenues securing the bonds issued by the State Board of Education.

Effects of COVID-19

Both the ACCS and its institutions, including the College, have been impacted by the COVID-19 virus and the efforts to combat it. The health and safety of Alabama's community college students, faculty, and staff is of the highest priority and ACCS officials have worked closely with the Alabama Department of Public Health, have monitored information from the Centers for Disease Control and Prevention to ensure that relevant guidance is distributed to all ACCS institutions and their students, faculty and staff in a timely manner and to plan responses to impacts on the ACCS community.

Consistent with directives from the Governor, ACCS suspended on-campus instruction throughout the community college system from March through the end of the Summer 2020 semester. On-campus and hybrid instruction models were instituted commencing for the Fall 2020 Semester.

The ACCS has not refunded tuition or any substantial amounts of auxiliary revenues for the

Spring semester or subsequent terms. Auxiliary revenues, including housing and dining receipts, constitute less than 2% of total revenues. Nine of the ACCS colleges have student housing facilities were closed for the Spring and Summer 2020 semesters, with the exception of those students that have no alternative housing options. Housing generally has been reopened as of the Fall 2020 semester, with social distancing, temperature checks and other protective practices. The College does not offer housing for students.

The College's enrollment was up year over year by 3.39% for Summer 2020 but down year over year by 16.56% for Fall 2020 and 12.41% for Spring 2021. System-wide enrollment was down year over year by 10.81% for Summer 2020, 12.73% for Fall 2020 and 12.36% for Spring 2021.

To date the System institutions, including the College, have maintained operating reserves within targets in spite of the loss of revenues as a result of decreased enrollment. This is due, in part, to CARES Act funding, increased distance learning enrollment, and reduction in operational costs, such as utilities, travel and incidentals. Although faculty and staff continued to be paid at full salary, their job responsibilities were modified to accommodate the revised learning environments and needs of the colleges.

Lost revenues have been partially offset by a variety of CARES Act related grants, including:

	CARES Act - Students	CARES Act - Institutional	HBCU	Strengthening 1st Programs	Supplement	CARES Act – State Health	CARES Act – State Education	Total CARES Act
ACCS	$27,949,260	$27,949,260	$21,059,380	$1,965,346	$95,302	$8,785,681	$27,345,000	$115,149,229
College	$611,026	$611,026		$59,809		$33,549	$421,304	$1,736,715

	CRRSAA Student	CRRSAA Institutional	CRRSAA HBCU	CRRSAA Strengthening Predominantly Black Institutions	CRRSAA Strengthening Institutions Program	CARES + CRRSAA Total
ACCS	$27,725,128	$88,098,837	$35,605,132	$328,297	$3,176,242	$265,449,889
College	$611,026	$1,769,322			$99,084	$4,216,147

The Board also expects to receive significant funding from the American Rescue Plan Act of 2021, the third round of COVID relief legislation, but cannot yet state the amount or approved uses of that funding.

Legislative appropriations for the System for fiscal year 2020-21 reflected a 2.5% increase compared to the fiscal year 2019-20 appropriations. Tax revenues dedicated to the Education Trust Fund were up by $154 million or 2 percent for FY 2019-20 compared to the same period for FY 2018-19. Based on current year revenues, the availability of the Education Trust Fund Rainy Day Account and the Education Trust Fund Budget Stabilization Fund, the ACCS believes the Education Trust Fund funding will remain as budgeted for FY 2020-21. See, "BONDHOLDER RISKS – Budget Proration." The Board anticipates an approximately 7% overall increase in State Operating and Maintenance appropriations for the year 2021-2022.

The College maintains current operating reserves, including the two-month contingency requirement in excess of $3,385,103. Based on current Spring enrollment and projected Summer enrollment, the College expects to continue to maintain reserves well in excess of the required two-month contingency requirement, even after any impact of COVID-19 on the current fiscal year.

Collectively, as of fiscal year-end 2020, the System colleges had over $250 million of reserves above the required two-month contingency, the ACCS System Reserve Fund had a balance of $20,968,625 (unaudited) and the Chancellor has approximately $14.8 million of unrestricted funds available which can be used in a manner he deems appropriate. Until the impacts of COVID-19 lessen or they can implement additional operational strategies to address the situation, the colleges are prepared to manage the anticipated lost revenue. In March 2021, the U.S. Department of Education allowed for the previously issued CARES and CRRSAA funds to be used to recoup lost revenue, beyond the previously approved use of the CARES HBCU funds for that purpose. The colleges have maintained sufficient reserves to accommodate budgeted expenses through Fall 2021 with a ten percent reduction in enrollment while still maintaining at least a 2-month reserve for operating expenditures. The Chancellor is also authorized to transfer other legally available monies to augment the resources of a college. See, "SECURITY AND SOURCES OF PAYMENT – Covenant Regarding Other Available Revenues." As a result, the ACCS expects to be able to be able support the colleges despite enrollment declines due to COVID-19, through and beyond the anticipated impact timeline through Fall 2021.

The long-term impacts of the COVID-19 crisis are unknown and depend on factors such as the length of any shutdown or partial inaccessibility of facilities, the extent to which the faculty and staff or the student population is directly affected and unable to attend class, teach or provide services, and the impact on the economy as a whole and within the State. Moreover, the long-term significance of the impact of COVID-19 on higher education generally and ACCS institutions in particular will only be determined over time, as both institutions and students respond by making longer term changes in ways that cannot be predicted. The System has responded to the impacts of COVID-19 and will continue to make efforts and advancements to provide the best educational opportunities to students.

THE PURPOSES OF THE ISSUE

General

The Board has determined to issue the Bonds for the purposes of (i) refunding the State Board of Education's Central Alabama Community College Revenue Bonds, Series 2005, originally issued in the aggregate principal amount of $2,075,000 and currently outstanding in the principal amount of $675,000 (the "***Series 2005 Bonds***"), (ii) refunding the State Board of Education's Central Alabama Community College Revenue Bonds, Series 2012, originally issued in the principal amount of $6,735,000 and currently outstanding in the principal amount of $5,630,000 (the "***Series 2012 Bonds***"); (iii) paying a premium for a policy of municipal bond insurance and (iv) paying the expenses of issuing the Bonds.

Refunding Plan

A portion of the proceeds of the Bonds will be used for the redemption of the Series 2005 Bonds. The Board will call those of the Series 2005 Bonds maturing on June 1, 2021, being all of the outstanding Series 2005 Bonds, for redemption and payment on June 17, 2021 (the "***2005 Redemption Date***") at a redemption price equal to 100% of the outstanding principal amount of the Series 2005 Bonds, plus accrued interest thereon as of the 2005 Redemption Date. In order to effect the refunding of the Series 2005 Bonds, the Board will deposit a portion of the proceeds of the Bonds with Regions Bank, as paying agent for the Series 2005 Bonds, in an amount sufficient, without reinvestment, to pay the redemption price (principal and accrued interest) of the Series 2005 Bonds on the 2005 Redemption Date. Regions Bank will agree to apply such funds to the redemption of the Series 2005 Bonds on the 2005 Redemption Date.

A portion of the proceeds of the Bonds will be used for the redemption of the Series 2012 Bonds. The Board will call those of the Series 2012 Bonds maturing on June 1, 2021, being all of the outstanding Series 2012 Bonds, for redemption and payment on June 17, 2021 (the "***2012 Redemption Date***") at a redemption price equal to 100% of the outstanding principal amount of the Series 2012 Bonds, plus accrued interest thereon as of the 2012 Redemption Date. In order to effect the refunding of the Series

2012 Bonds, the Board will deposit a portion of the proceeds of the Bonds with Regions Bank, as paying agent for the Series 2012 Bonds, in an amount sufficient, without reinvestment, to pay the redemption price (principal and accrued interest) of the Series 2012 Bonds on the 2012 Redemption Date. Regions Bank will agree to apply such funds to the redemption of the Series 2012 Bonds on the 2012 Redemption Date.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be derived from the sale of the Bonds (excluding accrued interest) will be applied substantially as follows:

Sources of Funds	
Par Amount	$5,485,000.00
Net Original Issue Premium	438,288.45
Total	$5,923,288.45
Uses of Funds	
Payment of Series 2005 Bonds	$562,808.06
Payment of Series 2012 Bonds	$5,230,132.22
Underwriter's Discount	41,137.50
Issuance Expenses (including bond insurance premium)	89,210.67
Total	$5,923,288.45

THE BONDS

General Description

The Bonds will be issued as fully registered bonds in the aggregate principal amount of $5,485,000. The Bonds will be registered in the name of Cede & Co., as the nominee of the Depository Trust Company. Purchases of beneficial interests in the Bonds will be made in book-entry-only form (without certificates) in the denomination of $5,000 and any integral multiple thereof. So long as the Bonds are in book-entry-only form, payments will be made as described below in "Book-Entry."

Subject to the provisions for book-entry described below, the principal of the Bonds is payable at the corporate trust office of Regions Bank (the "***Bank***") in Birmingham, Alabama, only upon presentation and surrender of the Bonds at the Bank. Interest on the Bonds is computed on the basis of a 360-day year of twelve (12) consecutive 30-day months and is payable semiannually on each June 1 and December 1, by check or draft mailed by the Bank to the registered holders of the Bonds as shown on the registry books of the Bank fifteen (15) calendar days preceding each June 1 or December 1. The Authorizing Proceedings provide that payment of such interest on the Bonds shall be deemed to have been timely made if such check or draft is mailed by the Bank on the due date of such interest (or, if such due date is not a business day, on the business day immediately following such due date). The Authorizing Proceedings further provide for payment by wire transfer upon direction of a Bondholder of more than $500,000 in principal amount of the Bonds.

The Authorizing Proceedings make special provision for payment of overdue interest which may be paid to a holder other than the registered holder of a Bond at the time such overdue interest becomes due and payable.

Book-Entry

The Depository Trust Company ("***DTC***"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Paying Banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("***Direct Participants***") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("***DTCC***"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "***Indirect Participants***"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by and through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("***Beneficial Owner***") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of their transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that the use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the beneficial interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detailed information from the Board on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board and Paying Agent; disbursement of such payments to Direct Participants is the responsibility of DTC; and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Board or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. In addition, the Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered as described below.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources (including DTC) that the Board believes to be reliable, but the Board and the Underwriter takes no responsibility for the accuracy thereof.

Neither the Board, Bank nor the Underwriter has any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in any global Bond or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Discontinuation of Book-Entry

In the event the book-entry is discontinued, Bond certificates in fully registered form would be delivered to, and registered in the names of, the Direct Participants, or such other persons as such Direct Participants may specify (which may be the Indirect Participants or Beneficial Owners), in denominations of $5,000 or any integral multiple thereof. The ownership of the Bonds so delivered (and any Bonds thereafter delivered upon a transfer or exchange described below) would be registered in the registration books to be kept by the Bank as the Bond registrar for the Board. Except as provided in the Authorized Proceedings, the Board and the Bank are entitled to treat the registered owners of such Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Authorized Proceedings. See “Certain Provisions Respecting Registration and Transfer of the Bonds" below.

Certain Provisions Respecting Registration and Transfer of the Bonds

The Bonds shall be registered as to both principal and interest and may be transferred only on the registry books of the Bank pertaining to the Bonds. No transfer of the Bonds shall be permitted except upon presentation and surrender of such Bond at the office of the Bank with written power to transfer signed by the registered owner thereof in person or by a duly authorized attorney in form and with guaranty of signature satisfactory to the Bank. The Bank will not be required to register or transfer any Bond during the period of fifteen (15) calendar days next preceding any interest payment date and shall not be required to transfer or exchange any Bond during the period of sixty (60) calendar days next preceding the date for redemption or prepayment of any Bond. The holder of one or more of the Bonds may, upon request, and upon the surrender to the Bank of such Bond, exchange such Bond for Bonds of other authorized denominations of the same series, maturity and interest rate and together aggregating the same principal amount as the Bonds so surrendered. Any registration, transfer and exchange of Bonds shall be without expense to the holder thereof, except that the holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange. The holder of any Bond will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Bond.

The Authorized Proceedings provide that each holder of the Bonds, by receiving or accepting the Bonds, consents and agrees and is estopped to deny that, insofar as the Board and the Bank are concerned, the Bonds may be transferred only in accordance with the provisions of the Authorized Proceedings. The Authorized Proceedings also provide that each transferee of the Bonds takes them subject to all principal and interest payments in fact made with respect to the Bonds.

Optional Redemption of the Bonds Prior to Maturity

The Bonds with stated maturities on June 1, 2031 and thereafter shall be subject to redemption, in whole or in $5,000 multiples, prior to their stated maturities at the option of the Board on any date on or after December 1, 2030 at a redemption price equal to 100% of the principal amount for each Bond (or principal portion thereof) redeemed, plus accrued interest to the date fixed for redemption.]

Mandatory Redemption of the Bonds

The Bonds maturing on June 1, 2033 are subject to scheduled mandatory redemption prior to maturity with those to be redeemed to be selected by the Registrar by lot, at a redemption price equal to 100% of the principal amounts thereof for each Bond (or principal portion thereof) redeemed, plus accrued interest to the date fixed for redemption, in the principal amounts and on the dates set forth below (the 2033 amount to be paid rather than redeemed):

June 1 of the Year	Principal Amount
2032	$260,000
2033	$270,000

The Bonds maturing on June 1, 2035 are subject to scheduled mandatory redemption prior to maturity with those to be redeemed to be selected by the Registrar by lot, at a redemption price equal to 100% of the principal amounts thereof for each Bond (or principal portion thereof) redeemed, plus accrued interest to the date fixed for redemption, in the principal amounts and on the dates set forth below (the 2035 amount to be paid rather than redeemed):

June 1 of the Year	Principal Amount
2034	$280,000
2035	$290,000

The Bonds maturing on June 1, 2037 are subject to scheduled mandatory redemption prior to maturity with those to be redeemed to be selected by the Registrar by lot, at a redemption price equal to 100% of the principal amounts thereof for each Bond (or principal portion thereof) redeemed, plus accrued interest to the date fixed for redemption, in the principal amounts and on the dates set forth below (the 2037 amount to be paid rather than redeemed):

June 1 of the Year	Principal Amount
2036	$300,000
2037	$305,000

The Bonds maturing on June 1, 2039 are subject to scheduled mandatory redemption prior to maturity with those to be redeemed to be selected by the Registrar by lot, at a redemption price equal to 100% of the principal amounts thereof for each Bond (or principal portion thereof) redeemed, plus accrued interest to the date fixed for redemption, in the principal amounts and on the dates set forth below (the 2039 amount to be paid rather than redeemed):

June 1 of the Year	Principal Amount
2038	$310,000
2039	$315,000

The Bonds maturing on June 1, 2041 are subject to scheduled mandatory redemption prior to maturity with those to be redeemed to be selected by the Registrar by lot, at a redemption price equal to 100% of the principal amounts thereof for each Bond (or principal portion thereof) redeemed, plus accrued interest to the date fixed for redemption, in the principal amounts and on the dates set forth below (the 2041 amount to be paid rather than redeemed):

June 1 of the Year	Principal Amount
2040	$320,000
2041	$330,000

There shall be credited against the principal amount of the Bonds, required to be redeemed on any June 1 in accordance with the foregoing schedule any Bonds of such maturity that have been theretofore optionally redeemed.

Security

THE BONDS WILL NOT CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE COLLEGE OR THE BOARD AND WILL NOT BE PAYABLE FROM MONIES APPROPRIATED TO THE COLLEGE OR THE BOARD BY THE STATE OF ALABAMA. THE STATE OF ALABAMA WILL NOT BE LIABLE IN ANY MANNER FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS.

The Bonds are limited obligations of the Board, payable from, and secured by a lien upon (a) Tuition paid by students enrolled at the College, currently charged at the rate of $133 per semester hour ("***Tuition***") and (b) a Facility Renewal Fee paid by students enrolled at the College, currently charged at the rate of $9 per semester hour (the "***Facility Renewal Fee***") and (c) a Building Fee paid by the students enrolled at the College, currently charged at the rate of $12 per semester hour (the "***Building Fee***" and, collectively with Tuition and the Facility Renewal Fee, the "***Pledged Revenues***").

Maintenance of Pledged Revenues

In the Authorizing Proceedings the Board has covenanted that so long as the principal of and the interest on any Bonds or any Additional Bonds issued thereunder remain unpaid, it will charge and make all reasonable efforts to collect tuition and fees from each and every student at the College in such amount as will produce revenues sufficient to make all payments into the Bond Fund in respect of debt service on the Bonds and all Additional Bonds (if any).

Covenant Regarding Other Available Revenues

The College is a part of the Alabama Community College System (the "***System***"), which is comprised of 21 comprehensive community colleges, 2 technical colleges, Marion Military Institute and the Alabama Technology Network.

The Chancellor is the statutorily designated chief executive officer of the System. The Chancellor serves at the pleasure of the Board. The authority and responsibility to operate, manage, control, supervise, maintain, improve and enlarge the colleges in the System is vested in the Chancellor. The Chancellor has broad powers to interpret, execute and enforce the rules and regulations of the Board governing the institutions in the System, including the power to prepare, review and submit for approval to the Board the budgets of the various institutions within the System.

The Board has covenanted to cause the Chancellor to make up any deficiencies in the Bond Fund out of other monies legally available to the Chancellor. Such legally available monies include, without limitation, tuition revenues and certain fees derived from the other colleges within the System, subject to the prior pledge thereof as security for the payment of other indebtedness incurred by the Board for the benefit of certain colleges.

Given the fact that the colleges are audited individually and there is no system-wide consolidated audit, the amount of such legally available monies cannot be readily determined with reasonable certainty at any point in time due to the changing revenues, operational costs and financial positions of the various colleges. In 2004, however, the State Board of Education created a reserve fund available for use for a number of purposes throughout the System, including short term loans to its institutions and the payment of debt service on obligations issued by its institutions. The reserve fund is funded from a payment of $1 per credit hour paid by each institution. The reserve fund is not pledged to the payment of the Bonds and no funds from the reserve fund have been applied to the payment of debt service on obligations issued by the Board, but it does provide one possible source of other legally available monies. Since assuming governance of the System, the Board has continued the reserve fund policy, and has since amended the policy to provide that the amount held in the reserve fund should be at least equal to the total annual debt service payments due by System institutions for the current year, currently approximately $28,093,453. Previously, the targeted reserve fund amount was equal to the highest annual debt service of any individual college for the current fiscal year, or approximately $4,091,472 for fiscal 2020. The revised policy amount for the reserve fund is therefore a significant increase. The fund balance was $18,111,343 as of September 30, 2019. The reserve fund policy permits the Chancellor to suspend payment of the $1 per credit hour charge at any time that the amount held in the reserve fund at least equals the target amount. Given the current amount of the reserve fund, as compared to the new policy target, the Board expects to continue the $1 per hour charge for the foreseeable future, although there is no requirement that the fund be maintained and it may elect to reduce the target size of the fund or to eliminate the fund altogether. Section 16-60-111.11 of the Code of Alabama (1975) specifically prohibits the Board from agreeing to pay debt service on its securities out of state appropriations.

Additional Bonds

The Board may issue additional bonds ("***Additional Bonds***") provided that the Chief Financial Officer of the College certifies that (i) the Pledged Revenues received during the fiscal year next preceding the date of issuance of such Additional Bonds, plus (2) the Pledged Revenues that will be produced by any then current increase in Tuition, the Facility Renewal Fee or the Building Fee or by additional fees pledged to secure the Bonds and Additional Bonds, as applied to the credit hours for the immediately next preceding year, are not less than one hundred fifty percent (150%) of the maximum amount of the principal and interest coming due on the Bonds, any Additional Bonds then outstanding and any other bonds or other indebtedness secured by a pledge of Pledged Revenues on parity with or prior to the pledge securing the Bonds, and the Additional Bonds proposed to be issued, in the then current or any subsequent fiscal year of the Board.

Creation of Funds

Bond Fund. The Authorizing Proceedings the Bond Principal and Interest Payment Fund, 2021 for the purpose of providing for the payment of principal of and the interest on the Bonds and any Additional Bonds as they mature. Not later than the twenty-fifth (25^{th}) day of the month immediately preceding each Interest Payment Date, the Board shall pay or cause to be paid into the Bond Fund an amount which, when added to the moneys then on deposit therein (if any) will be sufficient to pay the installment of interest due on such Interest Payment Date and the principal (if any) that will mature or is required to be redeemed on such Interest Payment Date. The moneys in the Bond Fund are hereby irrevocably pledged to and shall be used from time to time, to the extent required, for the payment of the principal of and interest on the Bonds, as and when such principal and interest shall become due and payable. The Board may transfer or cause to be transferred any monies on deposit in the Bond Fund in excess of such amount, and all Pledged Revenues subsequently received during such period, to the College for any lawful purpose.

Issuance Expense Fund. The Authorizing Proceedings create a special fund to be held by Regions Bank, as depositary, designated as the Central Alabama Community College Series 2021 Bond Issuance Expense Fund (the "***Issuance Expense Fund***"). A portion of the principal proceeds from the sale of the Bonds will be deposited into the Issuance Expense Fund to be drawn upon by check, draft or order signed on behalf of the Board by its duly authorized officer or any authorized representative of the College as required in the Authorizing Proceedings solely for payment of the expenses of issuing the Bonds, as and when such expenses become due and payable. Any amount remaining in the Issuance Expense Fund after the College certifies that all issuance expenses have been paid in full, shall be transferred and deposited into the Bond Fund and applied to the payment of interest coming due on the Bonds on or before the date which is three years after the date of issuance of the Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("***BAM***") will issue its Municipal Bond Insurance Policy for the Bonds (the "***Policy***"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX D to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2021 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $477.7 million, $156.4 million and $321.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of Bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such warrants. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

CONSENT RIGHTS OF THE INSURER

As long as the Policy remains in place and BAM performs its obligations, BAM will be entitled to significant rights with respect to the Bonds insured by it, including consents to certain amendments or changes and exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the Authorizing Proceedings pertaining to defaults and remedies and insolvency.

ANNUAL DEBT SERVICE ON THE BONDS AND UNREFUNDED SERIES 2012 BONDS

Fiscal Year	Principal on the Bonds*	Interest on the Bonds	Unrefunded Series 2005 & Series 2012	Total Debt Service
2021			$ 640,169	$ 640,169
2022	$ 270,000	$ 167,086		437,086
2023	280,000	153,163		433,163
2024	290,000	144,763		434,763
2025	300,000	136,063		436,063
2026	210,000	127,063		337,063
2027	215,000	120,763		335,763
2028	220,000	114,313		334,313
2029	230,000	105,513		335,513
2030	240,000	96,313		336,313
2031	250,000	86,713		336,713
2032	260,000	76,713		336,713
2033	270,000	66,313		336,313
2034	280,000	55,513		335,513
2035	290,000	47,113		337,113
2036	300,000	38,413		338,413
2037	305,000	32,413		337,413
2038	310,000	26,313		336,313
2039	315,000	20,113		335,113
2040	320,000	13,813		333,813
2041	330,000	7,013		337,013

Debt Service Coverage

Set forth in the table below is information about historical receipts from the Pledged Revenues during the fiscal years indicated, pro forma debt service requirements on bonds secured by the Pledged Revenues, and resulting coverage ratios:

	Fiscal Year Ended September 30		
	2020**	2019	2018
Pledged Revenues(1)	$2,208,176	$2,064,242	$1,879,601
Maximum annual debt service	$ 437,086	$ 437,086	$ 437,086
Debt service coverage ratio(2)	5.05	4.72	4.30

**Unaudited.
(1) Includes revenues from the College's tuition (net of scholarships) and net receipts from the Facility Renewal Fees and net receipts from the Building Fee. The 2020 amount is unaudited.
(2) This is the amount described in note (1) above for the fiscal year indicated divided by maximum annual debt service.

BONDHOLDER RISKS

An investment in the Bonds entails certain risks. The following discussion is not intended to be exhaustive, but includes certain factors which should be considered along with other factors set forth elsewhere in this Official Statement, including the Appendices hereto, and with risks inherent in any investment.

Limited Obligations of the Board

The Board is only obligated to make payments on the Bonds from monies it receives from the College. Such monies will be derived from Pledged Revenues paid by the College's students, as further described herein. See "THE BONDS—Security". There can be no assurance the College will attract sufficient students and revenues to enable the Board to make debt service payments. The sufficiency of the Pledged Revenues to pay debt service on the Bonds may be affected by events and conditions relating to, among other things, population shifts, student transfers, competition from surrounding colleges and universities, and economic developments in the College's service area, the exact nature and extent of which are not presently determinable.

THE BONDS WILL NOT CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE COLLEGE OR THE BOARD AND WILL NOT BE PAYABLE FROM MONIES APPROPRIATED TO THE COLLEGE OR THE BOARD BY THE STATE OF ALABAMA. THE STATE OF ALABAMA WILL NOT BE LIABLE IN ANY MANNER FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS. The Bonds are not secured by any lien or security interest on the assets financed or refinanced with the proceeds of the Bonds.

State Legislative Control

The College is under the supervision and control of the Board. Thus, the College is subject to virtually plenary powers of the legislature of the State of Alabama, which meets annually in regular sessions and from time to time in special session at the call of the Governor of Alabama. The Board appoints a Chancellor to assist the Board in carrying out its authority and responsibility for the State's community and technical colleges.

The legislature has the authority to repeal the taxes that fund a substantial portion of the operating costs of the College, to reorganize the Alabama Community College System, and to otherwise enact legislation that might adversely affect the ability of the College and the Board to repay the Bonds.

Legislative and Alabama College Systems Appropriations

The legislature annually appropriates funds from the State of Alabama that are used by the State's community and technical colleges for payment of capital costs and operating expenses incurred in connection with their various activities. The appropriated funds are allocated to the College by the Board on a formula developed by the Chancellor. Appropriated funds to the various community and technical colleges are subject to reallocation each fiscal year. There are no assurances that the legislature of the State will continue to make appropriations to the community and technical colleges. There is also no assurance that the annual allocation approved by the Board would be in an amount sufficient for the College to operate as a community college.

Budget Proration

The Alabama constitution effectively prohibits the State from engaging in deficit financing. As a result, the education budget for the State of Alabama has been subject to proration during past years, meaning that the amount of funds from state appropriations received by the College for certain items other than salaries during a fiscal year is less than originally budgeted.

Proration of the Education Trust Fund budgeted appropriations has been imposed in five different fiscal years from 2000 to 2011, ranging from 3.0% to 11.0%. The Alabama Legislature has adopted certain measures to decrease the likelihood of proration. By constitutional amendment approved in 2002 and amended in 2008 the State established an "Education Trust Fund Rainy Day Account" as part of the

Alabama Trust Fund to allow withdrawals, within specified limits, upon certification by the Governor that doing so is necessary to avoid proration. In 2011 the Alabama Legislature passed the Alabama Education Trust Fund Rolling Reserve Act, which caps the education budget using a growth rate equal to the 15-year average annual growth rate. The Act, which was implemented for the 2013 fiscal year budget, further provides that any excess of revenues over the budgeted amount are to be transferred to a "Rainy Day Account" until the Rainy Day Account has been reimbursed in full. Once the Rainy Day Account has been fully repaid, any remaining excess revenues are deposited in an "Education Trust Fund Budget Stabilization Fund, which may be withdrawn only to prevent proration in the Education Trust Fund until the balance reaches an amount equal to 20% of the current year education budget. In that case the excess above the 20% requirement is transferred to a fund to be used for construction or renovation of public education facilities in the State.

A transfer of $301,665,743 was made from the Budget Stabilization Fund into the Education Trust Fund on March 27, 2020. This transfer was made for cash flow purposes due to the extension of sales and income tax filings. On August 27, 2020, an amount of $301,665,743 was transferred in repayment from the Education Trust Fund to the Budget Stabilization Fund. In the event of future reductions in Education Trust Fund revenues, or in the event future Budget Stabilization Fund transfers to the Education Trust Fund are made without replenishment, the State's education budget may be subject to proration.

Although the Education Trust Fund budget has not been subject to proration since fiscal year 2011 the Board cannot predict whether or to what extent State revenues appropriated to the Board and allocated to the College will be subject to proration in future years.

Remedies

In the event of default by the Board, any remedies available to the bondholders may be unenforceable due to the application of the constitutional provision for sovereign immunity or to principles of equity or state and federal laws relating to bankruptcy, moratorium, reorganization and creditors rights generally, or may require the expenditure of considerable money and time to enforce.

Payment of Operational Fees

The Pledged Revenues described in this Official Statement and pledged to the payment of the Bonds do not include any priority, deduction, or other provision for the payment of the operational costs of the College. In the event that the other funds available to the College to pay operational costs were insufficient to pay the operational costs, Pledged Revenues would have to be used for such purpose, possibly affecting the ability of the Board to pay the debt service on the Bonds.

Taxation of Bonds

An opinion of Bond Counsel has been obtained as described under "TAX EXEMPTION" herein. Such an opinion is not binding on the Internal Revenue Service. Application for a ruling from the Internal Revenue Service regarding the status of the interest on the Bonds has not been made. The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading "TAX EXEMPTION." Failure by the parties to the Authorizing Proceedings and the Non-Arbitrage Tax Certificate to comply with their respective covenants thereunder could result in interest on the Bonds becoming includible in gross income for federal tax purposes.

Legislation or court or regulatory decisions may also affect the tax status of the Bonds. See "TAX EXEMPTION—Risk of Future Legislative Changes and/or Court Decisions".

Cybersecurity

The College and ACCS are subject to cybersecurity risks including, without limitation, ransomware attacks. Although ACCS carries insurance against cyber losses, any cybersecurity incident could adversely affect the operations and financial condition of the College.

Uncertain Impacts of COVID-19

As described in more detail under the caption "INTRODUCTION – Effect of COVID-19", both the College and the ACCS have been impacted by the COVID-19 virus and the efforts to combat it. Although classes will be provided online to the extent possible a significant portion of the classes taught at the College and throughout the ACCS require labs or other in-person participation for at least some elements of the curriculum. Accordingly, continued impacts of guidelines and governmental orders preventing students from attending classes is likely to have a material adverse effect on attendance and tuition and fee revenues. Moreover, the long-term impacts of the COVID-19 crisis are unknown and depend on factors such as the length of any shutdown or partial inaccessibility of facilities, the extent to which the faculty and staff or the student population is directly affected and is unable to attend class, teach or provide services, and the impact on the economy as a whole and within the State.

THE COLLEGE

General

The College is an open-access, state supported, two-year community college whose mission is to provide accessible educational opportunities, to promote economic growth and development, and to enhance the quality of life for the College service area. The College provides university parallel programs that prepare students to transfer to baccalaureate degree-granting institutions. The College provides quality and relevant teaching and learning in academic, technical and health science programs. The College awards associate's degrees in 12 programs and certificates in 13 programs. Each of the 12 associate degree programs have one or more embedded certificates that are awarded to students as they progress in their associate program. Additionally, the College awards an additional short-term certificate in Child Development.

Accreditation

Central Alabama Community College is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award associate degrees. Contact the Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097 or call 404-679-4500 for questions about the accreditation of the College.

History

Central Alabama Community College was created on February 26, 1989, through the consolidation of Alexander City State Junior College and Nunnelley State Technical College. Prior to consolidation, Alexander City State operated as a two-year junior college offering a wide range of academic programs. The first classes at Alexander City State were held on September 30, 1965, at which time the school had an initial enrollment of 442 students. One year later the school was moved to its permanent location on Cherokee Road in Alexander City.

In the years following its creation, Alexander City State grew through the addition of new programs and the construction of new buildings, including a library that was completed in 1969, a health, education and arts complex that was completed in 1971 and a new wellness center that was completed in 1989, which was renovated in 2000. Classes in the Betty Carol Graham Technology Center began fall semester of 2004. A new Learning Resource Center was completed and opened on the Alexander City campus in the Fall of 2013 replacing the John D. Russell Library.

Nunnelley State opened on March 7, 1966, with an initial enrollment of 35 full-time students. The school was located on a 25 acre site on U.S. Highway 280 in the City of Childersburg. On December 12, 1973, Nunnelley State was granted accreditation by the Southern Association of Colleges and Schools. Since opening, the physical facilities of the school have more than doubled in size. Immediately prior to consolidation, Nunnelley State had more than 340 full-time students and more than 200 part-time students.

The College opened the doors on a new facility in Talladega in 2006. As a result of COVID-19, courses were transitioned to an online environment. However, prior to COVID-19, the facility had an on-site enrollment of 97 students. The Center is a combined partnership with a number of state agencies including the Career Link, Employment Services, Vocational Rehabilitation Services, Adult Education, and Veteran Affairs. The College began offering instructional courses in January 2015 at the Millbrook Instructional site, which was located at Stanhope-Elmore High School. In August 2018, the site was relocated 4.1 miles away to Pratt's Mill Center, a 10,000 square foot newly renovated facility to serve the Elmore and Autauga County regions.

As a consolidated entity, the College maintains both an Alexander City campus and a Childersburg campus, as well as the Pratt's Mill Millbrook and Talladega Centers.

Student Enrollment

Enrollment at the College for the five most recently completed academic years for credited students has been as follows:

		Total Headcount	Full Time Equivalent
Fall	2015-2016	1787	1238.1
Spring	2015-2016	1632	1114.7
Summer	2015-2016	827	410.5
Fall	2016-2017	1776	1205.3
Spring	2016-2017	1611	1065.1
Summer	2016-2017	766	361.9
Fall	2017-2018	1835	1208.6
Spring	2017-2018	1575	1004.5
Summer	2017-2018	777	377.4
Fall	2018-2019	1682	1043.5
Spring	2018-2019	1533	909.7
Summer	2018-2019	734	332.4
Fall	2019-2020	1802	1071.8
Spring	2019-2020	1504	880.7

Summer	2019-2020	764	362.9
Fall	2020-2021	1546	890.7

Tuition and Fees

Tuition and fees are set under authority of the Board. Tuition was most recently increased, by $2 per credit hour, effective for Fall Semester, 2020-2021. The following is a schedule of Tuition and fees for students enrolled at the College for Fall Semester 2020-2021:

	Tuition Per Credit Hour	Building Fee	Technology Fee*	Facility Renewal Fee*	System Reserve Fee*
In-State Students					
On-line Courses	$133	$12	$9	$9	$1
Regular Courses	$133	$12	$9	$9	$1
Out of State Students					
On-line Courses	$266	$12	$9	$9	$1
Regular Courses	$266	$12	$9	$9	$1

*Technology Fee and ACCS System Reserve Fee are not pledged for debt service.

Administration

The President, who is the chief executive officer of the College, is responsible to the Chancellor and the Board. The daily responsibilities of governing the College are delegated by the Board and Chancellor to the President and, through the President, to his assisting officers and the faculty. The President appoints all principal administrative officers of the College and all faculty members according to qualifications and regulations as may be adopted by the Board. The following paragraphs provide information about the current principal administrative officers of the College.

Jeff Lynn, President of Central Alabama Community College began working for ACCS on October 1, 2016 and was appointed Interim President of the College on June 15, 2020. On February 10, 2021, the Board appointed Mr. Lynn as President of the College. He came to ACCS from Louisiana Economic Development where he served as the Executive Director of Workforce Development Programs (LED FastStart). Lynn began his career while in college, working full-time in manufacturing and the hospitality industry while studying Organizational Management from Auburn University. He later served as the Head of ASMT Training Systems for Ciba Vision Corporation in Duluth, Georgia, where he led efforts related to technical and team skills training and served on the Southern Regional Education Board's curriculum team. He also spent 10 years as the Director of Regional Project Operations for Georgia Quick Start, which is part of the Technical College System of Georgia.

Lynn is a graduate of Auburn University with a degree in Organizational Management and a Certified Economic Developer Trainer with more than 30 years of experience in manufacturing, corporate headquarters, IT technology centers, customer support centers and other business operations. He specializes in large-scale manufacturing startups with significant emphasis on transfer of technology for operations.

Senior Administration, who are appointed by the President, consists of the following:

Dr. Bryan Johnson	Dean of Academic Programs
Lisa Sawyer	Dean of Financial Services
Michael Barnette	Dean of Workforce & Economic Development

Cindy Entrekin	Associate Dean of Institutional Planning, Assessment, and Evaluation
Tina Shaw	Executive Director of Human Resources
Rickey Creel	Chief Information Officer
Dr. Jennifer Steele	Health Science Program Administrator

Faculty and Staff

For the 2020 school year, the faculty of the College consisted of 107 full-time or full-time equivalent members. Including faculty, the College employs approximately 105 permanent full-time and 89 temporary or part-time employees. The College is an equal opportunity employer. Employees of the College participate in the State of Alabama Teachers' Retirement System.

THE ALABAMA COMMUNITY COLLEGE SYSTEM

The Alabama Community College System is responsible for the operation of Wallace State Community College, as well as all other public community colleges and technical colleges in the State. Its powers are set forth in accordance with the ACCS Act. The Board consists of the Governor and nine other members appointed by the Governor: one from each of the seven congressional districts in the State, one at-large member and one ex-officio, non-voting member representing the State Board of Education. Members appointed from Districts 1, 3, 5 and 7 were appointed for initial terms of two years, and will be appointed every four years thereafter, and Members appointed from Districts 2, 4, and 6 and from the State at large are appointed for initial terms of four years and will be appointed every four years thereafter. Board members receive no compensation for their service but are reimbursed for actual traveling and other necessary expenses incurred for attending meetings and transacting the business of the Board. The following is a listing of current Board members, their position, district and the expiration of their terms:

Name	Position	District	Term
Kay Ivey	President	Governor of Alabama	2019-2023
Al Thompson, III	Chairman	District 1	2017-2021*
John Mitchell, Sr.		District 2	2019-2023
Susan Blythe Foy		District 3	2017-2021*
Matthew Woods		District 4	2019-2023
Crystal Brown		District 5	2017-2021*
Milton Davis	Vice-Chairman	District 6	2019-2023
Chuck Smith		District 7	2017-2021*
Blake McAnally		At-Large Member	2019-2023
Yvette Richardson		Ex-Officio (non-voting) Member	

* The successors for Board Members Thompson, Foy, Brown and Smith have been appointed by the Governor and confirmed by the Alabama State Senate. The existing Board members continue to serve until their successors are sworn in, which is anticipated to occur at the Board's meeting on May 19, 2021.

For the purpose of assisting the Board in carrying out its authority and responsibility for the community technical colleges, including Central Alabama Community College, the Board appoints a Chancellor who is also the Chief Executive Officer of the Alabama Community College System. The Chancellor answers only to the Board in his oversight of the State's public, two-year colleges. Several sections of the ACCS Act, codified in the *Code of Alabama 1975,* indicate that the Chancellor has both the discretion and the responsibility to take appropriate action to ensure that any and all colleges are operating within defined parameters.

Section 16-60-111.1 provides that the purpose of the Chancellor is to assist the Board in carrying out its authority and responsibility for the community and technical colleges.

Section 16-60-111.2 vests the Chancellor with the authority and responsibility for the operation, management, control, supervision, maintenance, regulation, improvement, and enlargement of community colleges, subject to the approval of the Board.

Section 16-60-111.5 requires that the Chancellor direct all matters involving the community and technical colleges within the policies of the Board, including: execution and enforcement of Board rules and regulations; interpretation of Board rules and regulations; taking any and all actions necessary and proper to administer the policies, rules and regulations of the Board;

preparation and submission for Board approval of a budget for the colleges; and preparation and submission of necessary legislative measures for the development and improvement of the community and technical colleges.

The Board appointed Jimmy H. Baker as Chancellor effective April 1, 2017. Mr. Baker has an extensive background in education and government, including service as a Superintendent of both a city and county school system, as an Assistant State Superintendent of Education and as Finance Director for the State of Alabama.

ACCOUNTING AND FINANCIAL INFORMATION

Accrual Methods

The financial statements of the College are prepared on an accrual basis. Revenue is recorded as earned and expenses are recorded when obligations are incurred. However, the degree of materiality may indicate that it is neither necessary nor desirable to accrue all revenues or to prorate all expenses. Operating and non-operating revenues and expenses are reported in the Statement of Revenues, Expenses, and Changes in Net Assets ("***SRECNA***"). The Alabama Community College System has determined that all federal, state, local and non-governmental grants and contracts, which are not designated for the purchase of capital assets, will be considered operating revenue. Depreciation expense is included in the SRECNA as an Operating Expense.

State appropriations, gifts, interest income and investment income will be considered non-operating revenue unless otherwise designated as operating revenue by an external party.

Additions to permanent endowments, capital appropriations, and capital grants, contracts, and gifts are recorded under Other Revenues on SRECNA.

All unrestricted assets and liabilities are categorized as either current or non-current in the Statement of Net Assets ("***SNA***"). The College also reports all capital assets, net of accumulated depreciation, including infrastructure assets in the SNA. Externally restricted assets are distinguishable from unrestricted assets in the Net Assets section of the SNA. Externally restricted assets may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted assets over which the governing board retains full control to use in achieving any of its institutional purposes.

The financial statements of the College as of September 30, 2019, included for information purposes in this Official Statement as Appendix B, have been audited by the State of Alabama Department of Examiners of Public Accounts, independent auditors, as set forth in their report, which also appears in Appendix B. Other significant accounting policies of the College are set forth in the financial statements and the notes thereto.

Major Sources of Revenue

State Appropriations. The largest single source of revenue of the College is appropriations by the State. Funding for the College is determined annually by the State Legislature. After the College receives the annual allocation, it is disbursed to the College in 12 monthly installments by electronic transfer. State appropriations must be used for operational and maintenance purposes, including capital projects.

A substantial portion of the State's tax revenues is paid into the Alabama Education Trust Fund ("***ETF***") and is appropriated for educational purposes, including appropriations for the College and other institutions of higher learning. The ETF was established in 1927 by Act of the Legislature, and revenues are paid into the ETF pursuant to constitutional provisions and continuing appropriations of the Legislature. Among the State taxes paid into the ETF are the State's utilities gross receipts and use taxes, sales taxes, income taxes, and a portion of the State ad valorem taxes.

Under the Constitution of Alabama, if in any fiscal year there are insufficient funds of the State to pay all claims, a proration of claims is required. The ETF is subject to this constitutional requirement and, if monies in the fund are insufficient to pay all amounts appropriated therefrom by the Legislature, each appropriation must be reduced pro rata. There can be no assurance that appropriations to the College from the ETF or other sources can or will be held at present levels. In June 2002, Alabama voters amended the Alabama Constitution to create a Rainy Day Fund in the amount of $248 million, drawn from trust funds created out of oil and gas lease revenues which may be used at the order of the Governor to offset proration in the ETF. Any amount so used must be repaid over a five-year period. In fiscal year 2003, approximately $180,000,000 was drawn to avoid proration. The State, as required, has repaid the Rainy Day Fund.

Student Tuition and Fees. Student tuition and fees are payable by all students in advance of attendance of any classes. These funds may be used for any purpose designated by the President and approved by the Board, but historically the tuition has been expended primarily for instructional purposes.

The Board has the sole authority to establish the student tuition and fees, which it may set at whatever level it considers appropriate and in the best interests of the College. State appropriations are not increased or reduced based on, or otherwise offset against, revenues from student tuition and fees.

Federal Grants and Contracts. The College receives certain funds from the United States government for instructional and public-service oriented purposes. The College makes such requests to the appropriate governmental agency for specific projects and, if the requests are granted, all funds must be used for the specified project.

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Summary Financial Information

Revenues	Unaudited 9/30/2020	Audited 9/30/2019	Audited 9/30/2018	Audited 9/30/2017	Audited 9/30/2016
Student Tuition and Fees[1]	$2,613,333	$2,563,985	$2,279,815	$2,117,216	$2,882,587
State Appropriations	9,154,795	8,706,804	8,423,240	11,058,546	8,151,935
Federal Grants & Contracts	5,308,837	5.395.065	5.565.734	5.555.466	6.341.357
State and Local Grants and Contracts	1,257,589	1,564,332	2,198,733	1,314,570	1,162,742
Private Gifts, Grants & Contracts	59,927	164,743	620,783	-	34,877
Investment Income	-	11,231	8,575	1,575	164
Sales & Service of Educ. Activities	-	-	-	203	-
Sales & Service of Aux. Enterprises	-	-	-	-	-
Capital Grants	-	-	-	-	-
Other Sources	270,262	456,407	358,726	362,800	330,673
Total	**18,671,807**	**$18,862,567**	**$19,455,606**	**$20,410,376**	**$18,904,335**

[1] Student Tuition and Fees includes Building Fees, Technology Fees, Facility Renewal Fees and ACCS Reserve Fees. The Pledged Revenues of Tuition, Facility Renewal Fees and Building Fees totaled $2,208,176* in 2020 $2,064,242 in 2019, $1,879,601 in 2018, $1,731,734 in 2017, $2,494,020 in 2016, and $2,915,020 in 2015.

*Unaudited.

CONTINUING DISCLOSURE

General

Pursuant to Rule 15c2-12 (the "***Rule***") promulgated by the Securities and Exchange Commission, the Board has covenanted for the benefit of the holders and beneficial owners of the Bonds, pursuant to a Continuing Disclosure Agreement, to provide or cause the College to provide certain financial information and operating data relating to the College by not later than 270 days following the end of the College's fiscal year, which currently would be September 30 (the "***Annual Report***"), commencing with the report for the 2020 fiscal year, and to provide notices of the occurrence of certain enumerated events, as described below. In its Continuing Disclosure Agreement executed in connection with the Bonds, the Board has delegated its compliance responsibilities under such Agreement to the College. The Annual Report and notices of enumerated events will be filed by the Board or College with the Electronic Municipal Market Access System ("***EMMA***") maintained by the Municipal Securities Rulemaking Board and with a State of Alabama State Repository, if any is established.

Annual Reports

Each Annual Report will include an audited annual financial statement of the College and certain annual financial information and operating data of the kind set forth in this Official Statement under the captions "THE COLLEGE – Student Enrollment" and "– Tuition and Fees", "ANNUAL DEBT SERVICE ON THE BONDS AND THE UNREFUNDED SERIES 2005 BONDS AND SERIES 2012 BONDS –Debt Service Coverage" AND "ACCOUNTING AND FINANCIAL INFORMATION – Summary Financial Information" and the balance in the System reserve fund described under the caption "THE BONDS – Covenant Regarding Other Available Revenues."

Material Events Notices

Notices of the following events will be provided in a timely manner not in excess of 10 business days after the occurrence of the event:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on any reserve fund reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notice of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds
- Modifications to rights of Bond holders, if material
- Bond calls, if material and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the Bonds, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event with respect to the Board or the College
- The consummation of a merger, consolidation, or acquisition involving the Board or College or the sale of all or substantially all of the assets of the College, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of the name of a trustee, if material
- Incurrence of a financial obligation of the Board or College, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Board or College, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Board or College, any of which reflect financial difficulties.

In addition, the Board must give notice within a reasonable time of any failure to file its required Annual Report on or before the date specified in the Continuing Disclosure Agreement.

The Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above if, in the judgment of the Board, such other event is material with respect to the Bonds, but the Board does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Other Provisions of Continuing Disclosure Agreement

The Board reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Board; provided, that the Board agrees that any such modification will be done in a manner consistent with the Rule. The Board reserves the right to terminate its obligations to provide annual financial information and notices of enumerated events, as set forth above, if and when the Board no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Board acknowledges that its undertaking, pursuant to the Rule described under this heading, is intended to be for the benefit of beneficial owners of the Bonds and that the Board's obligations may be enforced by any beneficial owner of the Bonds; provided, that the beneficial owner's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Board's obligations under the Continuing Disclosure Agreement and any failure by the Board to comply with the provisions of such undertaking shall not be in event of default with respect to the Bonds.

Compliance with Disclosure Obligations

The Board has undertaken to provide continuing disclosure pursuant to the Rule in connection with certain bonds issued by it since its creation in 2015. In addition, prior to the creation of the Board the State Board of Education undertook to provide continuing disclosure pursuant to the Rule in connection with numerous bonds issued by it prior to transfer of control of the System to the Board and the Board assumed responsibility for compliance with those undertakings upon its formation. In each case responsibility for making the required filings in response to the various undertakings was delegated to the college for whose benefit the bonds were issued. The information required varies depending upon the college and the source of payment of the particular issue, but generally requires audited financial statements of the particular college as well as certain financial and operating data. Past undertakings typically required filing of annual financial statements and financial and operating data within 180 days of the end of the fiscal year, although the audited annual financial statements are not typically received from the auditor until after the 180-day deadline and the System has now adopted a 270-day deadline for delivery of the annual reports.

Beginning with fiscal year 2014 the Chancellor put in place new compliance and reporting requirements intended to ensure that the colleges comply on a timely basis with the Board’s annual reporting obligations undertaken with respect to bonds issued for the respective colleges.

During the past five years, the College, acting on behalf of the State Board of Education and the Board with respect to bonds issued for the benefit of the College, has failed to timely file financial statements for fiscal years 2016-2020. In addition, operating data for fiscal years 201-2020 was not filed timely. The notices of the failure to file required financial information and operating data with respect to the College’s bonds when due were not filed. As of the date of this Official Statement, all filings for the issue that remains outstanding have been corrected.

The State Board of Education failed numerous times prior to the creation of the Board to file financial statements and other financial and operating data required by its various continuing disclosure undertakings with respect to bonds issued for the benefit of other colleges within the System. Audited financial statements and certain financial and operating data for fiscal years 2016, 2017, 2018, 2019, and 2020 were not filed timely by several other colleges. There was also a failure to file timely the financial statements for fiscal year 2016 of one other college due to the failure to link a filing of the required statements to the bonds issued for the college. A failure to file notice was not always filed in these instances.

The Board has entered into an agreement with Digital Assurance Certification (DAC) to assist it and the College’s with the Board’s continuing compliance with the Rule.

TAX EXEMPTION

General

In the opinion of Bond Counsel, under the Internal Revenue Code of 1986 (the "***Code***"), as presently construed and administered, and assuming compliance by the Board with the all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be and remain excludable from gross income, the interest income on the Bonds will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103 of the Code and will not constitute an item of tax preference for the purpose of computing the liability of individuals and corporations for the alternative minimum tax imposed by Section 55 of the Code; provided, that it should be noted that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The Board has covenanted to comply with all such requirements but failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income, retroactive to the date of issuance of the Bonds. Bond Counsel will express no opinion with respect to the federal tax consequences to the recipients of the interest income on the Bonds under any provision of the Code not referred to above.

Bond Counsel's opinion represents in legal judgment based upon its review of the Code, as presently construed and administered, and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that existing law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to a branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds will be exempt from State of Alabama income taxation.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is frequently considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. Future legislative actions may also retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Premium

The initial public offering price to be paid for certain of the Bonds (the "***Original Issue Premium Bonds***") is greater than offering of the Bonds is required to reduce his basis in such Original Issue Premium Bond by the amount of premium allocable to periods during which he holds such Original Issue Premium Bond, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Original Issue Premium Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Bond and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Bond.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds by the Board are subject to the approval of Hand Arendall Harrison Sale LLC, Mobile, Alabama, Bond Counsel, whose approving opinion will be printed on the Bonds. Such opinion is expected to be in substantially the form attached hereto as Appendix A.

David M. O'Brien, Senior Associate Counsel to the Board, will deliver a certificate on the date of issuance and delivery of the Bonds stating that there is no suit, action or proceeding of any nature pending or threatened to restrain or to enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting the validity of the Bonds or any proceedings of the Board taken with respect to the issuance or sale thereof, or the pledge or application of any monies, revenues, or security provided for the payment of the Bonds.

UNDERWRITER

The Bonds will be purchased by Stifel Nicolaus & Company, Incorporated (the "***Underwriter***") at a purchase price of $5,882,150.95, which takes into account a net original issue premium of $438,288.45 and an Underwriter's discount of $41,137.50. The initial public offering price set forth on the cover page may be changed by the Underwriter, and the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the offering price set forth on the inside cover page. The Underwriter will purchase all the Bonds if any are purchased. The Underwriter is obligated to purchase and pay for all the Bonds in cash.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("***S&P***") is expected to assign a rating to the Bonds of "AA", with the understanding that, upon delivery of the Bonds a municipal bond insurance policy guaranteeing the timely payment of the principal of and the interest on the Bonds will be issued by BAM. Moody's Investors Service, Inc. ("***Moody's***") has assigned an underlying rating to the Bonds of "A1". Any definitive explanation of the significance of any such ratings may be obtained only from the rating agencies. There is no assurance that any such rating will remain in effect for any given period of time or that any such rating will not be lowered or withdrawn entirely if, in the judgment of the rating agencies, circumstances should warrant such action. Any such downward revision or withdrawal of any rating assigned to the Bonds could have an adverse effect on their market price.

MISCELLANEOUS

The references herein to statutory provisions and the Authorizing Proceedings are brief outlines of certain provisions thereof and do not purport to be complete. For full and complete statements of such provisions, reference is made to the pertinent statute or to the Authorizing Proceedings. Copies of the Authorizing Proceedings are available from the Board, the College or the Underwriter for a nominal charge.

The information contained in this Official Statement has been compiled or prepared from information obtained from the College and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

References herein to the Alabama Constitution and all legislative acts referred to herein are intended to be only brief outlines of certain provisions of each thereof and do not purport to summarize or describe all provisions thereof.

Certain of the officers, administrative staff and counsel to the College have reviewed the information contained herein which relates to the College.

BOARD OF TRUSTEES OF THE ALABAMA
COMMUNITY COLLEGE SYSTEM

Date: May 12, 2021

By: *_/s/ Al Thompson, III_*
Its: Chairman

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APPENDIX A

FORM OF BOND COUNSEL OPINION

Board of Trustees of the
Alabama Community College System
Montgomery, Alabama

Re: $5,485,000 Board of Trustees of the Alabama Community College System Central Alabama Community College Revenue Refunding Bonds, Series 2021

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Board of Trustees of the Alabama Community College System (the "Board") of the obligations in caption (the "Bonds"). In such capacity, we examined the resolution adopted by the Board on March 10, 2021 (herein called the “Authorizing Proceedings”) and other proceedings, certificates and documents presented to us.

Although we have assisted in compiling certain of the information contained therein, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except as to the descriptions therein of the Board, the Bonds and the Authorizing Proceedings hereinafter described) and we express no opinion as relating thereto.

The Bonds are being issued pursuant to Act 2015-125 adopted by the Legislature of the State of Alabama at its 2015 Regular Session (the “Act”). The Bonds are issued for the purposes of providing funding to refund the State Board of Education of the State of Alabama’s (“SBE”) Central Alabama Community College Revenue Bonds, Series 2005, originally issued in the aggregate principal amount of $2,075,000 and SBE’s Central Alabama Community College Revenue Bonds, Series 2012, originally issued in the principal amount of $6,735,000 and paying the expenses of issuing the Bonds. Pursuant to the Authorizing Proceedings, the Board has pledged to the payment of the Bonds and the interest thereon so much as shall be necessary for the purpose (i) tuition paid by students enrolled at the College (“Tuition”), (ii) a Facility Renewal Fee paid by students of the College (“Facility Renewal Fee”) and (iii) a special building fee paid by each student enrolled at the College (the “Building Fee”, and collectively with Tuition and the Facility Renewal Fee, the “Pledged Revenues”), and has agreed to deposit in a special fund created for the purpose funds sufficient to pay the principal of and interest on the Bonds as the same become due.

As to questions of fact material to our opinion, we have relied upon representations of the Board and the College, the certified proceedings and other certifications of public officials furnished to us, and certifications furnished to us by or on behalf of the Board and the College, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized, executed and delivered by the Board and are valid and binding special obligations of the Board, payable solely from the Bond Fund and from Pledged Revenues.

2. Under existing law, as presently construed and administered, the interest income on the Bonds will be excludable from gross income of the recipient thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Internal Revenue Code of 1986 and will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the alternative minimum tax imposed by Section 55 of the Code. The opinions set forth in the preceding sentence are subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Board has covenanted to comply with each such requirement, but failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of the issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

3. Interest on the Bonds is, under existing law, exempt from State of Alabama income taxation.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

HAND ARENDALL HARRISON SALE LLC

By:____________________________________

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF COLLEGE FOR FISCAL YEAR ENDING SEPTEMBER 30, 2019

Report on the

Central Alabama Community College

Alexander City, Alabama

October 1, 2018 through September 30, 2019

Filed: April 17, 2020

Department of Examiners of Public Accounts

401 Adams Avenue, Suite 280
Montgomery, Alabama 36104-4338
P.O. Box 302251
Montgomery, Alabama 36130-2251
Website: www.examiners.alabama.gov

Rachel Laurie Riddle, Chief Examiner

20-292

State of Alabama
Department of
Examiners of Public Accounts
P.O. Box 302251, Montgomery, AL 36130-2251
401 Adams Avenue, Suite 280
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Telephone (334) 242-9200
FAX (334) 242-1775

Rachel Laurie Riddle
Chief Examiner

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

Dear Madam:

An audit was conducted on Central Alabama Community College, Alexander City, Alabama, for the period October 1, 2018 through September 30, 2019. 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,

Tom L. Tolley

Tom L. Tolley
Examiner of Public Accounts

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SUMMARY

Central Alabama Community College
October 1, 2018 through September 30, 2019

Central Alabama Community College (the "College") provides general education at the freshman and sophomore levels leading to the Associate in Science degree that is designed to facilitate transfer to a senior college or university. Central Alabama Community College also provides the following Career and Technical Education (CTE) programs that prepare students for employment in occupational fields and lead to either an Associate in Applied Science degrees or Associate in Occupational Technology degree. In addition, each CTE program offers stackable credentials in the form of certificates that students earn as they progress towards completion of their degree. CTE programs include Computer Information Systems; Industrial Electronics Technology (including specializations in Biomedical Technology and Electronics & Instrumentation, Motors and Controls); Automotive Manufacturing Technology (including specializations in Robotics and PLC Technology); Machine Shop (with a specialization in Computerized Numerical Control, as well as Tool and Die); Welding; Office Administration; Cosmetology; General Business; Drafting and Design Technology; Practical Nursing; Medical Assisting Technology; Associate Degree Nursing (including an LPN to RN Mobility Program). A currently inactive program is Heating and Air Conditioning.

Central Alabama Community College is a publicly supported institution in the Alabama Community College System. The College is under the direction and control of the Alabama Community College System Board of Trustees through the Chancellor of the Alabama Community College System Office.

This report presents the results of an audit, the objectives of which were to determine whether the financial statements present fairly the financial position and results of financial operations and whether the College complied with applicable laws and regulations, including those applicable to its major federal financial assistance programs. The audit was conducted 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, as well as, the requirements of the Department of Examiners of Public Accounts under the authority of the ***Code of Alabama 1975***, Section 41-5A-12.

An unmodified opinion was issued on the basic financial statements, which means the College's financial statements present fairly, in all material respects, its financial position and the results of its operations for the fiscal year ended September 30, 2019.

The prior audit finding appears to have been resolved.

Tests performed during the audit did not disclose any significant instances of noncompliance with applicable state laws and regulations.

The following officials/employees were invited to an exit conference to discuss the results of this audit: Dr. Susan Burrow, President; Lisa Sawyer, Dean of Financial Services and Mr. Jimmy Baker, Chancellor of the Alabama Community College System. The following individuals attended the exit conference: Dr. Susan Burrow, President and Lisa Sawyer, Dean of Financial Services. Sara Calhoun, Executive Director of Fiscal Services and Brian Harrison, Associate Director of Financial Services – System Support of the Alabama Community College System attended via teleconference. Representing the Department of Examiners of Public Accounts were: Melissa Knepper, Audit Manager and Tom Tolley, Examiner.

Department of
Examiners of Public Accounts

COMMENTS

Central Alabama Community College
October 1, 2018 through September 30, 2019

Central Alabama Community College (the "College") was created by action of the Alabama State Board of Education on February 23, 1989. The Board action consolidated Alexander City State Junior College and Nunnelley State Technical College.

Alexander City State Junior College and Nunnelley State Technical College had its origin on May 3, 1963 when Act Numbers 92, 93, and 94 of Acts of Alabama 1963 were approved. Act Number 92 on page 257 provided funds to pay the principal and interest on bonds, not exceeding $15,000,000, issued and sold by the public corporation known as the Alabama Trade School and Junior College Authority. Act Number 93 on page 259 authorized the Governor, the Director of Finance, and the State Superintendent of Education to become a corporation, to be known as the Alabama Trade School and Junior College Authority, with the objective of providing for the construction and equipment of educational institutions within the state known as junior colleges and trade schools. Act Number 94 on page 268 vested in the Alabama State Board of Education the authority and responsibility for the operation, management, control, supervision, maintenance, regulation, upkeep, improvement, equipment, and enlargement of, and additions to, educational institutions known as trade schools and junior colleges. The property for Alexander City State Junior College was donated by Russell Mills, Inc. The first classes were held on September 30, 1965 in the old Russell Hospital. In September 1966, Alexander City State Junior College moved to its permanent location on Cherokee Road. The City of Childersburg contributed approximately $24,000 for the purchase of twenty-five acres on Highway 280. The acreage was donated to the state for the construction of Nunnelley State Technical College which officially opened on March 7, 1966.

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Independent Auditor's Report

<u>Independent Auditor's Report</u>

Jimmy Baker, Chancellor – Alabama Community College System
Dr. Susan Burrow, President – Central Alabama Community College
Alexander City, Alabama 35010

<u>Report on the Financial Statements</u>

We have audited the accompanying basic financial statements of Central Alabama Community College, a component unit of the State of Alabama, as of and for the year ended September 30, 2019, and related notes to the financial statements which collectively comprise Central Alabama Community College's basic financial statements as listed in the table of contents.

<u>Management's Responsibility for the Financial Statements</u>

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.

<u>Auditor's Responsibility</u>

Our responsibility is to express an opinion on these financial statements based on our audit. 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 basic financial statements are free of 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 the 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 entity'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 entity'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Central Alabama Community College, as of September 30, 2019, and its changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), the Schedule of the College's Proportionate Share of the Collective Net Pension Liability, the Schedule of the College's Contributions – Pension, the Schedule of the College's Proportionate Share of the Collective Net Other Postemployment Benefits (OPEB) Liability and the Schedule of the College's Contributions – Other Postemployment Benefits (OPEB) be presented to *supplement* the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Central Alabama Community College's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (Exhibit 8), is presented for purposes of additional analysis as required by Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*** *(Uniform Guidance)*, and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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 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. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 26, 2020, on our consideration of Central Alabama Community College'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 Central Alabama Community College'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 Central Alabama Community College's internal control over financial reporting and compliance.

Rachel Laurie Riddle

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

February 26, 2020

Management's Discussion and Analysis
(Required Supplementary Information)

CENTRAL ALABAMA COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEAR 2018-2019

Overview of the Financial Statements and Financial Analysis

Central Alabama Community College (CACC) is a public, open door, comprehensive community college dedicated to meeting the changing needs of citizens in the East Alabama service area. By offering a broad spectrum of programs, the College provides students with opportunities for educational, personal and professional advancement. A wide range of academic courses prepares students to transfer to four-year institutions. Technical and workforce development programs equip students to master and practice certain skills as they enter the job market. The College offers a quality education, outstanding faculty, and an affordable way for its citizens to pursue college studies in their own home town.

CACC presents its financial statements for fiscal year 2018-2019. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: A) the Statement of Net Position; B) the Statement of Revenues, Expenses, and Changes in Net Position; and, 3) the Statement of Cash Flows. This report of the College's financial statements provides an overview of its financial activities for the year and comparative amounts for the prior year.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflow, liabilities, deferred inflow and net position of the College as of the end of the fiscal year. The Statement of Net Position is a point-in-time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of CACC. The Statement of Net Position presents end-of-year data concerning Assets (current and non-current), Deferred Outflows, Liabilities (current and non-current), Deferred Inflows, and Net Position (assets minus liabilities). The difference between current and non-current assets will be discussed in the financial statement disclosures.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the institution. They are also able to determine how much the institution owes vendors, investors and lending institutions. Finally, the Statement of Net Position provides a picture of the Net Position (assets and deferred outflows minus liabilities and deferred inflows) and their availability for expenditure by the institution.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the institution's equity in property, plant, and equipment owned by the institution. The next position category is restricted net position, which is divided into two categories, expendable and nonexpendable. Expendable restricted net position is available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The corpus of nonexpendable restricted resources is only available for investment purposes. The final category is unrestricted net position which is available to the institution for any appropriate purpose of the institution.

The following schedule is prepared from the College's statement of net position which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

	2018-2019	2017-2018
Assets:		
Current Assets	$ 7,615,745.13	$ 7,248,684.47
Capital Assets, Net	21,279,829.78	21,774,057.03
Total Assets	28,895,574.91	29,022,741.50
Deferred Outflow	2,476,968.00	2,184,742.27
Liabilities:		
Current Liabilities	3,673,114.77	3,926,417.67
Noncurrent Liabilities	25,873,148.72	26,424,037.32
Total Liabilities	29,546,263.49	30,350,454.99
Deferred Inflow	2,962,522.00	2,993,493.00
Net Position:		
Net Investment in Capital Assets	14,420,740.49	14,432,819.31
Restricted - Nonexpendable	488,988.50	486,524.98
Restricted - Expendable	374,068.19	404,905.27
Unrestricted	(16,420,039.76)	(17,460,713.78)
Total Net Position	$ (1,136,242.58)	$ (2,136,464.22)

Assets

Current assets consist of cash and cash equivalents, short-term investments, accounts receivable, deposits with bond trustee and other current assets. Total current assets increased by $367,060, largely due to a combination of a $1,040,141.11 decrease in accounts receivable, and a $1,414,534.60 increase in cash and cash equivalents.

Noncurrent assets consist of capital assets and related accumulated depreciation. Noncurrent assets decreased by $494,227.25, due to a combination of a $366,338.23 increase in construction in progress, a $175,319.84 increase in equipment and furniture, and an offsetting $1,047,015.59 increase in accumulated depreciation.

Deferred Outflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. The $292,225.73 increase in deferred outflows is due to a $136,508.49 increase in pensions and a $188,905.55 increase in other postemployment benefits (OPEB).

Liabilities

Current liabilities consist of deposits, accounts payable, unearned revenue, the current portion of compensated absences, the current portion of long-term liabilities, and other current liabilities. Total current liabilities decreased by $253,302.90, largely due to a combination of a $14,287.42 increase in deposits, and a $327,764.31 decrease in accounts payable.

Noncurrent liabilities consist of principal amounts due on bonds, unfunded pensions and OPEB, and the noncurrent portion of compensated absences. Noncurrent liabilities decreased by $550,888.60, largely due to the current year principal payments on bonds.

Deferred Inflows of Resources

Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources decreased by $30,971.00, due to a decrease in the annual actuarial valuation of pension-related assets and liabilities and post-employment benefits.

Net Position

Net position represents the residual value of the College’s assets after all liabilities have been deducted. Total net position increased by $1,000,221.64.

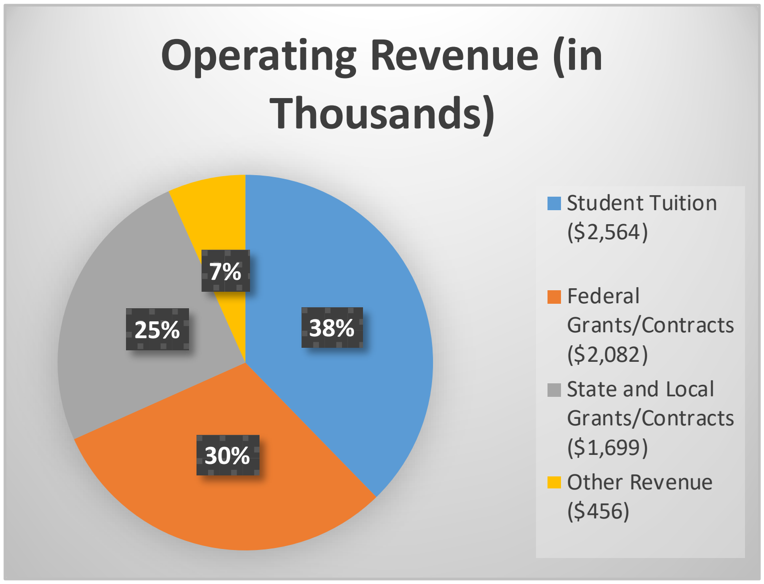
Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues received by the institution, both operating and non-operating, and the expenses paid by the institution, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the institution.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating because they are provided by the Legislature to the institution without the Legislature directly receiving commensurate goods and services for those revenues.

	2018-2019	2017-2018
Operating Revenues	$ 6,801,249.75	$ 6,958,336.58
Operating Expenses	17,699,945.30	18,296,938.02
Operating Loss	(10,898,695.55)	(11,338,601.44)
Nonoperating Revenues and Expenses	11,722,201.02	12,131,828.70
Increase/(Decrease) in Net Position	823,505.47	793,227.26
Net Position:		
Beginning of Year	(2,136,464.22)	5,421,753.20
Restatements	176,716.17	(8,351,444.68)
End of Year	$(1,136,242.58)	$(2,136,464.22)

The Statement of Revenues, Expenses, and Changes in Net Position reflects an $823,505.47 increase in Net Position. CACC experienced a 4% reduction in credit hours for the academic year 2018-2019. However, the College closely monitors revenues and systematically reviews operating expenses to ensure a balanced budget is maintained. Some highlights of the information presented on the Statement of Revenues, Expenses, and Changes in Net Position are presented as follows:



The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Student tuition and fees represent 38% of operating revenue; followed by Federal Grants and Contracts at 30% and State and Local Grants and Contracts totaling 25%. All other types of revenue represent only 7% of the total operating revenue.

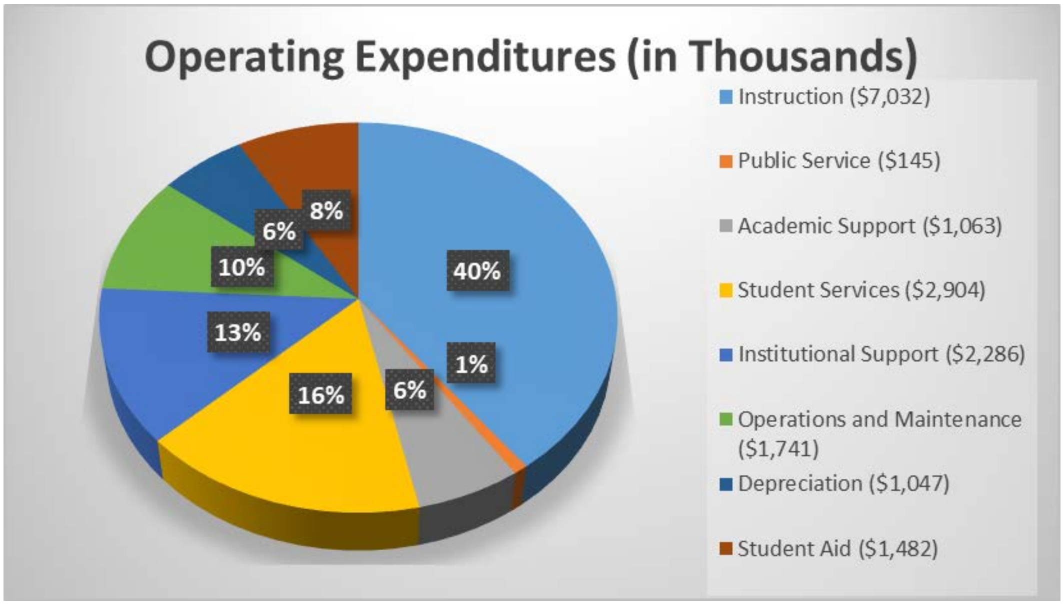
CACC's tuition and fee rate for fiscal year 2018-2019 was $158 per credit hour. CACC's tuition and fee rates are in line with the Alabama Community College System tuition and fee guidelines; the amount per credit hour is the maximum that can be charged. Total student tuition and fees increased for the year $284,170.12.

The majority of the operating federal grants and contracts of $2,081,783 are comprised of: (1) $1,340,112.70 for Student Support Services, Upward Bound, and Talent Search programs, (2) $434,726.43 to provide an adult education program and (3) $218,425.96 for Appalachian Regional Commission construction projects.

CACC received operating state and local contracts totaling $1,699,075.21 which largely consisted of: (1) $530,464.31 for Adult Education, (2) $556,821 for Dual Enrollment, (3) $344,000 from local and state to support start-up costs for the Pratt's Mill Center campus site and (4) $240,837.69 from various Workforce Development grants to support Welding, technical instructional programs, Career Coach and Ready to Work academic support services.

Net non-operating revenue and expenses totaled $11,722,201.02. The major sources were $8,706,804 from state appropriations and $3,313,281.57 from Title IV grants. The major expenses were interest debt payments of $270,474.17.

The operating expenses by function are displayed in the following exhibit:



Total operating expenditures decreased $596,992.72 in fiscal year 2018-2019. The majority of this decrease was attributed to a $439,035.16 decrease in Institutional Support and a decrease of $112,539.64 in Student Aid.

Fifty percent of the College's $17.7 million operating expenses consisted of expenditures for salaries and wages. Salaries and wages, combined with related benefits, comprise 64 percent of the College's total operating expenses. Twenty-two percent of operating expenses consist of amounts paid to vendors to acquire supplies, goods and services. Student aid constitutes 8 percent of operating expenses. Depreciation expense makes up the remaining 6 percent of operating expenditures.

The College's 2018-2019 debt service payments of $860,474.17 paid down $590,000.00 of principal and included $270,474.17 interest expense.

Statement of Cash Flows

The final statement presented is the Statement of Cash Flows which presents detailed information about the cash activity of the institution during the year. The statement is divided into five sections. The first section deals with operating cash flows and shows the net cash used by the operating activities of the institution. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fourth section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

	2019	2018
Cash Provided (Used) by:		
Operating Activities	$ (10,054,205.91)	$ (11,401,951.39)
Non-Capital Financing Activities	$ 12,632,034.99	$ 15,513,059.72
Capital and Related Financing Activitie	$ (1,401,196.96)	$ (1,732,466.09)
Investing Activities	8,717.49	5,453.96
Net Change in Cash	1,185,349.61	2,384,096.20
Cash - Beginning of Year	3,702,921.55	1,318,825.35
Restatements Per Audit	229,184.99	
Cash - End of Year	$ 5,117,456.15	$ 3,702,921.55

The primary cash receipts from operating activities consist of tuition and fees, grants, deposits refundable, and contracts. Cash outlays include payment of wages, benefits, supplies, utilities and scholarships.

State appropriations and federal Title IV Pell grant payments are the primary sources of noncapital financing. This source of revenue is categorized as noncapital even though the College's budget depends on this to continue the current level of operations. Investing activities reflect purchases, sales, and interest income earned on investments. Investments identified in the cash flow statement as investing activities include short-term investments.

Capital and related financing activities include the purchases and construction of capital assets during the year, proceeds from the sale of bonds, and the College's annual bond payment consisting of principal and interest paid, along with deposits with trustees at year end.

Economic Outlook

As a result of closely monitoring and maintaining an annual balanced budget, Central Alabama Community College's overall financial position is favorable compared to prior years. Student enrollment has stabilized and CACC expects state appropriations to remain stable. Enrollment is expected to increase slowly over time as course offerings expand at our new off campus site in Prattville.

The College will adhere to established Alabama Community College System guidelines which are based on sound financial judgments. The College will continue taking steps to ensure meeting the needs of students and the community while remaining financially conservative.

The College is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the fiscal year beyond those unknown variations having a global effect on virtually all types of business operations during the fiscal year 2018-2019.

Lisa Sawyer, CPA
Dean of Financial Services

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Basic Financial Statements

Statement of Net Position
September 30, 2019

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	5,117,456.15
Short-Term Investments		142,251.00
Accounts Receivable, Net		2,027,986.86
Other Assets		38,742.16
Deposit with Bond Trustee		289,308.96
Total Current Assets		7,615,745.13
Noncurrent Assets		
Capital Assets:		
Land		1,699,274.00
Improvements Other Than Buildings		2,366,988.27
Buildings		32,576,655.80
Equipment and Furniture		8,122,459.92
Library Holdings		579,832.78
Construction in Progress		862,488.52
Less: Accumulated Depreciation		(24,927,869.51)
Total Capital Assets, Net of Depreciation		21,279,829.78
Total Noncurrent Assets		21,279,829.78
Total Assets		28,895,574.91
Deferred Outflow of Resources		
Loss on Bond Refunding		96,913.72
Pension		1,957,886.28
Other Postemployment Benefit (OPEB)		422,168.00
Total Deferred Outflow of Resources	$	2,476,968.00

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

LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	$ 752,401.78
Deposit Liabilities	331,410.39
Unearned Revenue	1,918,823.53
Bonds Payable	610,000.00
Compensated Absences	54,816.86
Bond Surety Fee	5,662.21
Total Current Liabilities	3,673,114.77
Noncurrent Liabilities	
Compensated Absences	493,351.69
Bonds Payable	6,346,003.03
Net Pension Liability	11,292,000.00
Other Postemployment Benefit (OPEB)	7,741,794.00
Total Noncurrent Liabilities	25,873,148.72
Total Liabilities	29,546,263.49
Deferred Inflow of Resources	
Pensions	1,961,000.00
Other Postemployment Benefit (OPEB)	1,001,522.00
Total Deferred Inflow of Resources	2,962,522.00
NET POSITION	
Net Investment in Capital Assets	14,420,740.49
Restricted for:	
Nonexpendable:	
Scholarships and Fellowships	488,988.50
Expendable:	
Debt Service	203,781.46
Other	170,286.73
Unrestricted	(16,420,039.76)
Total Net Position	$ (1,136,242.58)

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Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2019

OPERATING REVENUES	
Student Tuition and Fees (Net of Scholarship Allowances of $3,144,624.30)	$ 2,563,985.14
Federal Grants and Contracts	2,081,782.52
State and Local Grants and Contracts	1,564,331.96
Nongovernmental Grants and Contracts	134,743.25
Other Operating Revenues	456,406.88
Total Operating Revenues	6,801,249.75
OPERATING EXPENSES	
Instruction	7,031,790.12
Public Service	144,970.88
Institutional Support	2,286,204.11
Academic Support	1,063,165.44
Student Services	2,903,896.54
Operation and Maintenance	1,741,155.98
Scholarships and Financial Aid	1,481,746.65
Depreciation	1,047,015.58
Total Operating Expenses	17,699,945.30
Operating Income (Loss)	(10,898,695.55)
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	8,439,201.00
State Appropriations - Special	240,790.00
State Appropriations - Other	26,813.00
Federal Grants	3,313,281.57
Investment Income	11,230.58
Noncash Gift	30,000.00
Bond Surety Expense	(28,963.61)
Interest on Capital Asset Related Debt	(270,474.17)
Other - Expenses	(39,677.35)
Net Nonoperating Revenues (Expenses)	11,722,201.02
Changes in Net Position	823,505.47
Total Net Position - Beginning of Year, as Restated (Note 11)	(1,959,748.05)
Total Net Position - End of Year	$ (1,136,242.58)

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

Statement of Cash Flows
For the Year Ended September 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$	2,480,364.52
Grants and Contracts		4,490,054.86
Payments for Benefits		(2,734,951.48)
Payments to Suppliers		(3,378,181.34)
Payments to Employees		(8,849,419.34)
Payments to Utilities		(802,480.53)
Payments for Scholarships		(1,481,746.65)
Other Receipts (Payments)		222,154.05
Net Cash Provided (Used) by Operating Activities		(10,054,205.91)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations		8,706,804.00
Federal Grants		3,666,967.12
Direct Loan Receipts		1,679,198.33
Direct Loan Disbursements		(1,387,303.91)
Bond Surety Fee Expense		(33,630.55)
Net Cash Provided (Used) by Noncapital Financing Activities		12,632,034.99
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets		(552,788.33)
Principal Paid on Capital Debt and Leases		(590,000.00)
Interest Paid on Capital Debt and Leases		(248,898.59)
Capital Grants and Gift		30,000.00
Deposit with Trustees		167.31
Other		(39,677.35)
Net Cash Provided (Used) by Capital and Related Financing Activities		(1,401,196.96)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments		(2,513.09)
Investment Income		11,230.58
Net Cash Provided (Used) by Investing Activities		8,717.49
Net Increase (Decrease) in Cash and Cash Equivalents		1,185,349.61
Cash and Cash Equivalents - Beginning of Year		3,702,921.55
Prior Period Adjustments		229,184.99
Cash and Cash Equivalents - End of Year	$	5,117,456.15

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

Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ (10,898,695.55)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	1,047,015.58
Changes in Assets and Liabilities:	
(Increase)/Decrease in Receivables, Net	(153,208.43)
(Increase)/Decrease in Deferred Outflows	(325,414.04)
(Increase)/Decrease in Other Assets	9,678.61
Increase/(Decrease) in Accounts Payable	(328,103.48)
Increase/(Decrease) in Deferred Inflows	(30,971.00)
Increase/(Decrease) in Unearned Revenue	25,452.16
Increase/(Decrease) in Compensated Absences	30,076.29
Increase/(Decrease) in Deposit Liability	519,079.95
Increase/(Decrease) in Pension Liability	(456,000.00)
Increase/(Decrease) in OPEB Liability	506,884.00
Net Cash Provided (Used) by Operating Activities	$ (10,054,205.91)

Note 1 – Summary of Significant Accounting Policies

The financial statements of Central Alabama Community College (the "College") are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the College are described below.

A. Reporting Entity

Central Alabama Community College is a component unit of the State of Alabama. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. The Governmental Accounting Standards Board (GASB) in Statement Number 14, "The Financial Reporting Entity," states that a primary government is financially accountable for a component unit if it appoints a voting majority of an organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. In this case, the primary government is the State of Alabama which through the Alabama Community College System Board of Trustees governs the Alabama Community College System. The Alabama Community College System through its Chancellor has the authority and responsibility for the operation, management, supervision and regulation of Central Alabama Community College. In addition, the College receives a substantial portion of its funding from the State of Alabama (potential to impose a specific financial burden). Based on these criteria, the College is considered for financial reporting purposes to be a component unit of the State of Alabama.

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

The financial statements of Central Alabama Community College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

It is the policy of the College to first apply restricted resources when an expense is incurred and then apply unrestricted resources when both restricted and unrestricted resources are available.

The Statement of Revenues, Expenses and Changes in Net Position distinguishes between operating and nonoperating revenues. Operating revenues, such as tuition and fees, result from exchange transactions associated with the principal activities of the College. Exchange transactions are those in which each party to the transactions receives or gives up essentially equal values. Nonoperating revenues arise from exchange transactions not associated with the College's principal activities, such as investment income and from all nonexchange transactions, such as state appropriations.

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Statutes authorize the College to invest in the same type of instruments as allowed by Alabama law for domestic life insurance companies. This includes a wide range of investments, such as direct obligations of the United States of America, obligations issued or guaranteed by certain federal agencies, and bonds of any state, county, city, town, village, municipality, district or other political subdivision of any state or any instrumentality or board thereof or of the United States of America that meet specified criteria.

Investments are reported at fair value based on quoted market prices, except for money market investments and repurchase agreements, which are reported at amortized cost.

2. Receivables

Accounts receivable relate to amounts due from students, federal grants, state grants, and third party tuition. The receivables are shown net of allowance for doubtful accounts.

3. Capital Assets

Capital assets, other than intangibles, with a unit cost of over $5,000 and an estimated useful life in excess of one year, and all library books, are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for intangible assets such as capitalized software and internally generated computer software is $1 million and $100,000 for easements and land use rights and patents, trademarks and copyrights. In addition, works of art and historical treasures and similar assets are recorded at their historical cost. Donated capital assets are recorded at acquisition value (an entry price). Land, Construction in Progress and intangible assets with indefinite lives are the only capital assets that are not depreciated. Depreciation is not allocated to a functional expense category. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon the sale or retirement of fixed assets being depreciated using the straight-line method, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operation.

The method of depreciation and useful lives of the capital assets are as follows:

Assets	Depreciation Method	Useful Lives
Buildings and Improvements	Straight-Line	50 years
Improvements Other Than Buildings	Composite	25 years
Equipment	Composite	5 – 10 years
Library Materials	Composite	20 years
Capitalized Software	Straight-Line	10 years
Internally Generated Computer Software	Straight-Line	10 years
Easement and Land Use Rights	Straight-Line	20 years
Patents, Trademarks and Copyrights	Straight-Line	20 years

4. Deferred Outflows of Resources

Deferred outflows of resources are reported in the Statement of Net Position. Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets.

5. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bonds are carried net of applicable premiums and discounts. The premiums and discounts are amortized over the life of the applicable bonds.

6. Compensated Absences

No liability is recorded for sick leave. Substantially all employees of the College earn 12 days of sick leave each year with unlimited accumulation. Payment is not made to employees for unpaid sick leave at termination or retirement.

All non-instructional employees earn annual leave at a rate which varies from 12 to 24 days per year depending on duration of employment, with accumulation limited to 60 days. Instructional employees do not earn annual leave. Payment is made to employees for unused leave at termination or retirement.

7. Deferred Inflows of Resources

Deferred inflows of resources are reported in the Statement of Net Position. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources decrease net position, similar to liabilities.

8. Unearned Tuition and Fee Revenue

Tuition and fee revenues received for the Fall Term but related to the portion of the term that occurs in the subsequent fiscal year have been disclosed as unearned revenues.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, the Teachers' Retirement System of Alabama (the "Plan") financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to plan requirements. Benefits and refunds are recognized as revenues when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

10. Postemployment Benefits Other Than Pensions (OPEB)

The Alabama Retired Education Employees' Health Care Trust (the "Trust") financial statements are prepared by using the economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust and additions to/deductions from the Trust's fiduciary net position. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to plan requirements. Benefits are recognized when due and payable in accordance with the terms of the plan. Subsequent events were evaluated by management through the date the financial statements were issued.

11. Net Position

Net position is required to be classified for accounting and reporting purposes into the following categories:

- ***Net Investment in Capital Assets*** – Capital assets, including restricted capital assets, reduced by accumulated depreciation and by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Any significant unspent related debt proceeds or inflows of resources at year-end related to capital assets are not included in this calculation.

- ***Restricted:***

  - ✓ ***Nonexpendable*** – Net position subject to externally imposed stipulations that they be maintained permanently by the College. Such assets include the College's permanent endowment funds.

  - ✓ ***Expendable*** – Net position whose use by the College is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. These include funds held in federal loan programs.

- ***Unrestricted*** – Net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position may be designated for specific purposes by action of management or the Alabama Community College System Board of Trustees.

12. Federal Financial Assistance Programs

The College participates in various federal programs. Federal programs are audited in accordance with Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*** (*Uniform Guidance*).

13. Scholarship Allowances and Student Aid

Student tuition and fees are reported net of scholarship allowances and discounts. The amount for scholarship allowances and discounts is the difference between the stated charge for goods and services provided by the College and the amount that is paid by the student and/or third parties making payments on behalf of the student. The College uses the case-by-case method as prescribed by the National Association of College and University Business Officers (NACUBO) in their Advisory Report 2000-05 to determine the amount of scholarship allowances and discounts.

Note 2 – Deposits and Investments

A. Deposits

The College's deposits at year-end were held by financial institutions in the State of Alabama's Security for Alabama Funds Enhancement (SAFE) Program. The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the ***Code of Alabama 1975***, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

The Statement of Net Position classification "cash and cash equivalents" includes all readily available cash such as petty cash, demand deposits, and certificates of deposits with maturities of three months or less.

B. Investments

The College may invest its funds in a manner consistent with all applicable state and federal regulations. All monies shall be placed in interest-bearing accounts unless legally restricted by an external agency. Investments in debt securities are limited to the two highest quality credit rating as described by nationally recognized statistical rating organizations (NRSROs). Obligations of the U. S. government or obligations explicitly guaranteed by the U. S. government are excluded from this requirement. Permissible investments include: 1) U. S. Treasury bills, notes, bonds, and stripped Treasuries; 2) U. S. Agency notes, bonds, debentures, discount notes and certificates; 3) certificates of deposit (CDs), checking and money market accounts of savings and loan associations, mutual savings banks, or commercial banks whose accounts are insured by FDIC/FSLIC, and who are designated a Qualified Public Depository (QPD) under the SAFE Program; 4) mortgage backed securities (MBSs); 5) mortgage-related securities including collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMIC) securities, 6) repurchase agreements; and 7) stocks and bonds which have been donated to the institution.

The College’s portfolio shall consist primarily of bank CDs and interest-bearing accounts, U. S. Treasury securities, debentures of a U. S. Government Sponsored Entity (GSE) and securities backed by collateral issued by GSEs. In order to diversify the portfolio's exposure to concentration risk, the portfolio's maximum allocation to specific product sectors is as follows: 1) U. S. Treasury bills, notes and bonds can be held without limitation as to amount. Stripped Treasuries shall never exceed 50 percent of the institution’s total investment portfolio. Maximum maturity of these securities shall be ten years. 2) U. S. Agency securities shall have limitations of 50 percent of the College’s total investment portfolio for each Agency, with two exceptions: TVA and SLMA shall be limited to ten percent of total investments. Maximum maturity of these securities shall be ten years. 3) CDs with savings and loan associations, mutual savings banks, or commercial banks may be held without limit provided the depository is a QPD under the SAFE Program. CD maturity shall not exceed five years. 4) The aggregate total of all MBSs may not exceed 50 percent of the institution's total investment portfolio. The aggregate average life maturity for all holdings of MBS shall not exceed seven years, while the maximum average life maturity of any one security shall not exceed ten years. 5) The total portfolio of mortgage related securities shall not exceed 50 percent of the institution’s total investment portfolio. The aggregate average life maturity for all holdings shall not exceed seven years while the average life maturity of one security shall not exceed ten years. 6) The College may enter into a repurchase agreement so long as: (a) the repurchase securities are legal investments under state law for colleges; (b) the College receives a daily assessment of the market value of the repurchase securities, including accrued interest, and maintains an adequate margin that reflects a risk assessment of the repurchase securities and the term of the transaction; and (c) the College has entered into signed contracts with all approved counterparties. 7) The College has discretion to determine if it should hold or sell other investments that it may receive as a donation.

The College shall not invest in stripped mortgage backed securities, residual interest in CMOs, mortgage servicing rights or commercial mortgage related securities.

Investment of debt proceeds and deposits with trustees is governed by the provisions of the debt agreement. Funds may be invested in any legally permissible document.

Endowment donations shall be invested in accordance with the procedures and policies developed by the College and approved by the Chancellor in accordance with the "*Alabama Uniform Prudent Management of Institutional Funds Act*", ***Code of Alabama 1975***, Sections 19-3C-1 and following.

The Statement of Net Position current investment classification consists of a non-negotiable certificate of deposit in the amount of $142,251.00. Certificates of deposit are not subject to risk categorization because they are considered deposits for the purpose of this note.

As of September 30, 2019, the College had $289,308.96 in accounts administered by its bond trustee that are subject to risk categorization. In accordance with the covenants of the College's Revenue Bonds Series 2005 and 2012, the trustee is permitted to invest these funds in direct obligations of the United States or securities the payment of which is unconditionally guaranteed by the United States.

The entire balance on deposit with the trustee is invested in the Fidelity Institutional Money Market Treasury Only, Class III Fund. The Fund is consistently rated AAAm by Standard and Poor's and AAA-mf by Moody's.

To the extent available, the College's investments are recorded at fair value as of September 30, 2019. GASB Statement Number 72 – ***Fair Value Measurement and Application***, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 – Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

Level 2 – Investments with inputs – other than quoted prices included within Level 1 – that are observable for an asset either directly or indirectly.

Level 3 – Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

Investments by Fair Value Level	At 9/30/2019	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
U. S. Government Guaranteed				
Total Debt Securities				
Certificates of Deposit	$142,251.00			
Money Market (*)	289,308.96			
Total	$431,559.96			

(*) All instruments purchased are deemed money market instruments as defined in rule 2a7 and priced at amortized cost.

Note 3 – Receivables

Receivables are reported net of uncollectible amounts and are summarized as follows:

Accounts Receivable:	
Federal	$ 568,291.44
State	366,306.53
Student	669,466.35
Third Party	356,098.84
Other	234,252.83
Less: Allowance for Doubtful Accounts	(166,429.13)
Total Accounts Receivable, Net	$2,027,986.86

Note 4 – Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 1,699,274.00	$	$	$ 1,699,274.00
Buildings	32,576,655.80			32,576,655.80
Improvements Other Than Buildings	2,366,988.27			2,366,988.27
Furniture and Equipment > $25,000	3,948,948.46	143,494.80		4,092,443.26
Furniture and Equipment < $25,000	3,998,191.62	31,825.04		4,030,016.66
Library Books and Audiovisuals	568,702.51	11,130.27		579,832.78
Construction in Progress	496,150.29	366,338.23		862,488.52
Total	45,654,910.95	552,788.34		46,207,699.29
Less: Accumulated Depreciation				
Buildings	15,586,083.31	512,852.13		16,098,935.44
Improvements Other Than Buildings	1,511,031.38	76,856.88		1,587,888.26
Furniture and Equipment > $25,000	3,053,386.66	185,456.88		3,238,843.54
Furniture and Equipment < $25,000	3,278,485.02	259,733.37		3,538,218.39
Library Books and Audiovisuals	451,867.55	12,116.33		463,983.88
Total Accumulated Depreciation	23,880,853.92	1,047,015.59		24,927,869.51
Capital Assets, Net	$21,774,057.03	$ (494,227.25)	$	$21,279,829.78

Note 5 – Defined Benefit Pension Plan

A. Plan Description

The Teachers' Retirement System of Alabama (TRS), a cost-sharing multiple-employer public employee retirement plan (the "Plan"), was established as of September 15, 1939, under the provisions of Act Number 419, Acts of Alabama 1939, for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operation of the TRS is vested in its Board of Control. The TRS Board of Control consists of 15 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). The ***Code of Alabama 1975***, Section 16-25-2, grants the authority to establish and amend the benefit terms to the TRS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

B. Benefits Provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS. Benefits for TRS members vest after 10 years of creditable service. TRS members are eligible for retirement after age 60 with 10 years or more of creditable service or with 25 years of service (regardless of age) 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, members of the TRS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Act Number 2012-377, Acts of Alabama, established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS 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. 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 are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. Members are eligible for disability retirement if they have 10 years of creditable service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary based on the member's age, service credit, employment status and eligibility for retirement.

C. Contributions

Covered members of the TRS contributed 5% of earnable compensation to the TRS as required by statue until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the TRS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the TRS were required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the TRS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the TRS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 8.50% of earnable compensation.

Tier 2 covered members of the TRS contribute 6% of earnable compensation to the TRS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 7% of earnable compensation.

Participating employers' contractually required contribution rate for the year ended September 30, 2019, was 12.41% of annual pay for Tier 1 members and 11.35% of annual pay for Tier 2 members. These required contribution rates are a percent of annual payroll, actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the College was $956,886 for the year ended September 30, 2019.

D. Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2019, the College reported a liability of $11,292,000 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2017. The College's proportion of the collective net pension liability was based on the employers' shares of contributions to the pension plan relative to the total employer contributions of all participating TRS employers. At September 30, 2018, the College's proportion was 0.113569%, which was a decrease of 0.005965% from its proportion measured as of September 30, 2017.

For the year ended September 30, 2019, the College recognized pension expense of $568,000. At September 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 244,000.00	$ 344,000.00
Changes of assumptions	628,000.00	
Net difference between projected and actual earnings on pension plan investments		852,000.00
Changes in proportion and differences between Employer contributions and proportionate share of contributions	129,000.00	765,000.00
Employer contributions subsequent to the measurement date	957,000.00	
Total	$1,958,000.00	$1,961,000.00

The $957,000.00 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Year Ending:	
September 30, 2020	$ (89,000.00)
2021	$(410,000.00)
2022	$(342,000.00)
2023	$(118,000.00)
2024	$ (1,000.00)
Thereafter	$ 0

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2017 using the following actuarial assumptions, applied to all period included in the measurement:

Inflation	2.75%
Investment Rate of Return (*)	7.70%
Projected Salary Increases	3.25%-5.00%

(*) Net of pension plan investment expense

The actuarial assumptions used in the September 30, 2017 valuation were based on the results of an actuarial experience study for the period October 1, 2010 through September 30, 2015.

Mortality rates were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected to 2020 using Scale BB and adjusted of 125% for males and 120% for females age 78 and older. The rates of disabled mortality were based on the sex distinct RP-2000 Disabled Retiree Mortality Table Projected to 2020 using Scale BB and adjusted 130% 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:

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

(*) Includes assumed rate of inflation of 2.50%.

F. Discount Rate

The discount rate used to measure the total pension liability was 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 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.

G. Sensitivity of the College's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following table presents the College's proportionate share of the collective net pension liability calculated using the discount rate of 7.70%, as well as what the College's proportionate share of the collective 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:

	1% Decrease (6.70%)	Current Rate (7.70%)	1% Increase (8.70%)
College's Proportionate Share of the Collective Net Pension Liability	$15,718	$11,292	$7,548
(Dollar Amounts in Thousands)			

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2018. The supporting actuarial information is included in the GASB Statement Number 67 Report for the TRS prepared as of September 30, 2018. The auditor's report dated August 16, 2019, on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of September 30, 2018, along with supporting schedules is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

Note 6 – Other Postemployment Benefits (OPEB)

A. Plan Description

The Alabama Retired Education Employees' Health Care Trust (the "Trust") is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that administers healthcare benefits to the retirees of participating state and local educational institutions. The Trust was established under the Alabama Retiree Health Care Funding Act of 2007 which authorized and directed the Public Education Employees' Health Insurance Board (PEEHIB) to create an irrevocable trust to fund postemployment healthcare benefits to retirees participating in the Public Education Employees' Health Insurance Plan (PEEHIP). Active and retiree health insurance benefits are paid through PEEHIP. In accordance with GASB, the Trust is considered a component unit of the State of Alabama (the "State") and is included in the State's Comprehensive Annual Financial Report.

The PEEHIP was established in 1983 pursuant to the provisions of the ***Code of Alabama 1975***, Section 16-25A-4, (Act Number 83-455, Acts of Alabama), to provide a uniform plan of health insurance for active and retired employees of state and local educational institutions which provide instruction at any combination of grades K-14 (collectively, eligible employees), and to provide a method for funding the benefits related to the plan. The four-year universities participate in the plan with respect to their retired employees and are eligible and may elect to participate in the plan with respect to their active employees. Responsibility for the establishment of the health insurance plan and its general administration and operations is vested in the PEEHIB. The PEEHIB is a corporate body for purposes of management of the health insurance plan. The ***Code of Alabama 1975***, Section 16-25A-4, provides the PEEHIB with the authority to amend the benefit provisions in order to provide reasonable assurance of stability in future years for the plan. All assets of the PEEHIP are held in trust for the payment of health insurance benefits. The Teachers' Retirement System of Alabama (TRS) has been appointed as the administrator of the PEEHIP and, consequently, serves as the administrator of the Trust.

B. Benefits Provided

PEEHIP offers a basic hospital medical plan to active members and non-Medicare eligible retirees. Benefits include inpatient hospitalization for a maximum of 365 days without a dollar limit, inpatient rehabilitation, outpatient care, physician services, and prescription drugs.

Active employees and non-Medicare eligible retirees who do not have Medicare eligible dependents can enroll in a health maintenance organization (HMO) in lieu of the basic hospital medical plan. The HMO includes hospital medical benefits, dental benefits, vision benefits, and an extensive formulary. However, participants in the HMO are required to receive care from a participating physician in the HMO plan.

The PEEHIP offers four optional plans (Hospital Indemnity, Cancer, Dental, and Vision) that may be selected in addition to or in lieu of the basic hospital medical plan or HMO. The Hospital Indemnity Plan provides a per-day benefit for hospital confinement, maternity, intensive care, cancer, and convalescent care. The Cancer Plan covers cancer disease only and benefits are provided regardless of other insurance. Coverage includes a per-day benefit for each hospital confinement related to cancer. The Dental Plan covers diagnostic and preventative services, as well as basic and major dental services. Diagnostic and preventative services include oral examinations, teeth cleaning, x-rays, and emergency office visits. Basic and major services include fillings, general aesthetics, oral surgery not covered under a Group Medical Program, periodontics, endodontics, dentures, bridgework, and crowns. Dental services are subject to a maximum of $1,250 per year for individual coverage and $1,000 per person per year for family coverage. The Vision Plan covers annual eye examinations, eyeglasses, and contact lens prescriptions.

PEEHIP members may opt to elect the PEEHIP Supplemental Plan as their hospital medical coverage in lieu of the PEEHIP Hospital Medical Plan. The PEEHIP Supplemental Plan provides secondary benefits to the member's primary plan provided by another employer. Only active and non-Medicare retiree members and dependents are eligible for the PEEHIP Supplemental Plan. There is no premium required for this plan, and the plan covers most out-of-pocket expenses not covered by the primary plan. The plan cannot be used as a supplement to Medicare, the PEEHIP Hospital Medical Plan, or the State or Local Governmental Plans administered by the State Employees' Insurance Board (SEIB).

Effective January 1, 2017, Medicare eligible members and Medicare eligible dependents who are covered on a retiree contract were enrolled in the UnitedHealthcare Group Medicare Advantage plan for PEEHIP retirees. The MAPDP plan is fully insured by UnitedHealthcare and members are able to have all of their Medicare Part A, Part B, and Part D (prescription drug coverage) in one convenient plan. With the UnitedHealthcare plan for PEEHIP, retirees can continue to see their same providers with no interruption and see any doctor who accepts Medicare on a national basis. Retirees have the same benefits in and out-of-network and there is no additional retiree cost share if a retiree uses an out-of-network provider and no balance billing from the provider.

C. Contributions

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

For employees who retired after September 30, 2005, but before January 1, 2012, the employer contribution of the health insurance premium set forth by the PEEHIB for each retiree class is reduced by 2% for each year of service less than 25 and increased by 2% for each year of service over 25 subject to adjustment by the PEEHIB for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree.

For employees who retired after December 31, 2011, the employer contribution to the health insurance premium set forth by the PEEHIB for each retiree class is reduced by 4% for each year of service less than 25 and increased by 2% for each year over 25, subject to adjustment by the PEEHIB for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree. For employees who retired after December 31, 2011, who are not covered by Medicare, regardless of years of service, the employer contribution to the health insurance premium set forth by the PEEHIB for each retiree class is reduced by a percentage equal to 1% multiplied by the difference between the Medicare entitlement age and the age of the employee at the time of retirement as determined by the PEEHIB. This reduction in the employer contribution ceases upon notification to the PEEHIB of the attainment of Medicare coverage.

D. OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2019, the College reported a liability of $7,741,794.00 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of September 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2017. The College’s proportion of the collective net OPEB liability was based on a projection of the College’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2018, the College’s proportion was 0.094197%, which was a decrease of 0.003211% from its proportion measured as of September 30, 2017.

For the year ended September 30, 2019, the College recognized OPEB expense of $357,455.00, with no special funding situations. At September 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$145,754.00	$
Changes of assumptions		377,097.00
Net difference between projected and actual earnings on OPEB plan investments		41,480.00
Changes in proportion and differences between Employer contributions and proportionate share of contributions		582,945.00
Employer contributions subsequent to the measurement date	271,809.00	
Total	$417,563.00	$1,001,522.00

The $271,809.00 reported as deferred outflows of resources related to OPEB resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2020.

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

Year Ending:	
September 30, 2020	$(211,086.00)
2021	$(211,086.00)
2022	$(211,086.00)
2023	$(201,774.00)
2024	$ (25,660.00)
Thereafter	$ 4,924

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected Salary Increases (*)	3.25% - 5.00%
Long-Term Investment Rate of Return (**)	7.25%
Municipal Bond Index Rate at the Measurement Date	4.18%
Municipal Bond Index Rate at the Prior Measurement Date	3.57%
Projected Year of Fiduciary Net Position (FNP) to be Depleted	2029
Single Equivalent Interest Rate at the Measurement Date	4.44%
Single Equivalent Interest Rate at the Prior Measurement Date	4.63%
Healthcare Cost Trend Rate:	
Pre-Medicare Eligible	7.00%
Medicare Eligible	5.00% beginning in 2019
Ultimate Trend Rate:	
Pre-Medicare Eligible	4.75% in 2026
Medicare Eligible	4.75% in 2024

(*) Includes 3.00% wage inflation.
(**) Compounded annually, net of investment expense, and includes inflation.

Mortality rates for the period after service retirement are according 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.

The decremental assumptions used in the valuation were selected based on the actuarial experience study prepared as of September 30, 2015, submitted to and adopted by the Teachers' Retirement System of Alabama Board on September 13, 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, 2017 valuation were based on a review of recent plan experience done concurrently with the September 30, 2017 valuation.

The long-term expected return on plan assets is to be reviewed as part of regular experience studies prepared every five years, in conjunction with similar analysis for the Teachers' Retirement System of Alabama. Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation), as developed for each major asset class. These ranges should be 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 then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

The target asset allocation and best estimates of expected geometric real rates of return for each major asset class is summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (*)
Fixed Income	30.00%	4.40%
U. S. Large Stocks	38.00%	8.00%
U. S. Mid Stocks	8.00%	10.00%
U. S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	15.00%	9.50%
Cash	5.00%	1.50%
Total	100.00%	

(*) Geometric mean, includes 2.5% inflation

F. Discount Rate

The discount rate, also known as the Single Equivalent Interest Rate (SEIR), as described by GASB Statement Number 74, used to measure the total OPEB liability at September 30, 2018, was 4.44%. The discount rate used to measure the total OPEB liability at the prior measurement date was 4.63%. Premiums paid to the Public Education Employees' Health Insurance Board for active employees shall include an amount to partially fund the cost of coverage for retired employees. 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 school systems must contribute for each active employee. Approximately, 20.307% of the employer contributions were used to assist in funding retiree benefit payments in 2018, and it is assumed that the amount will increase by 2.75% per year and continue into the future. The discount rate determination will use 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 Rate. Therefore, the projected future benefit payments for all current plan members were projected through 2116. The long-term rate of return is used until the assets are expected to be depleted in 2029, after which the municipal bond rate is used.

G. Sensitivity of the College's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the College's proportionate share of the collective net OPEB liability of the Trust calculated using the current healthcare trend rate, as well as what the collective net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00% Decreasing to 3.75% for Pre-Medicare, 4.00% Decreasing to 3.75% for Medicare Eligible)	Current Healthcare Trend Rate (7.00% Decreasing to 4.75% for Pre-Medicare, 5.00% Decreasing to 4.75% for Medicare Eligible)	1% Increase (8.00% Decreasing to 5.75% for Pre-Medicare, 6.00% Decreasing to 5.75% for Medicare Eligible)
College's Proportionate Share of the Collective Net OPEB Liability	$6,363,931	$7,741,794	$9,496,006

H. Sensitivity of the College's Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rates

The following table presents the College's proportionate share of the collective net OPEB liability of the Trust calculated using the discount rate of 4.44%, as well as what the collective net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.44%)	Current Rate (4.44%)	1% Increase (5.44%)
College's Proportionate Share of the Collective Net OPEB Liability	$9,248,158	$7,741,794	$6,526,694

I. OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is located in the Trust's financial statements for the fiscal year ended September 30, 2018. The supporting actuarial information is included in the GASB Statement Number 74 Report for PEEHIP prepared as of September 30, 2018. Additional financial and actuarial information is available at www.rsa-al.gov.

Note 7 – Significant Commitments

As of September 30, 2019, Central Alabama Community College had been awarded approximately $1,691,172.95 in contracts and grants on which performance had not been accomplished and funds had not been received. These awards, which represent commitments of sponsors to provide funds for specific purposes, have not been reflected in the financial statements.

Note 8 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent amounts due at September 30, 2019, for goods and services received prior to the end of the fiscal year.

Salaries and Benefits	$310,218.65
Vendor Payables	356,655.63
Interest Payable	85,527.50
Total	$752,401.78

Note 9 – Long-Term Liabilities

Long-term liabilities activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable:					
Revenue Bonds	$7,505,000.00	$	$590,000.00	$6,915,000.00	$610,000.00
Bond Premium	43,463.21		2,460.18	41,003.03	2,460.18
Total Bond Payable	7,548,463.21		592,460.18	6,956,003.03	612,460.18
Other Liabilities:					
Compensated Absences	518,092.26	30,076.29		548,168.55	54,816.86
Total Long-Term Liabilities	$8,066,555.47	$30,076.29	$592,460.18	$7,504,171.58	$667,277.04

The 2005 Series Revenue Bonds were issued to provide funds for acquiring and constructing certain improvements at the College. The 2012 Series Revenue Bonds were issued to advance refund the 2003 Series Revenue bonds and to provide funds for new capital improvements at the College's Alexander City campus.

Revenue from student tuition and fees sufficient to pay the annual debt service are pledged to secure the bonds. Principal and interest maturity requirements on bond debt are as follows:

	Revenue Bonds		
Fiscal Year	Principal	Interest	Totals
2019-2020	$ 610,000.00	$ 256,582.50	$ 866,582.50
2020-2021	630,000.00	236,962.50	866,962.50
2021-2022	650,000.00	216,625.00	866,625.00
2022-2023	675,000.00	195,565.00	870,565.00
2023-2024	695,000.00	173,627.50	868,627.50
2024-2025	725,000.00	145,407.50	870,407.50
2025-2026	220,000.00	120,250.00	340,250.00
2026-2027	225,000.00	111,450.00	336,450.00
2027-2028	230,000.00	102,450.00	332,450.00
2028-2029	245,000.00	93,250.00	338,250.00
2029-2030	250,000.00	83,450.00	333,450.00
2030-2031	265,000.00	73,450.00	338,450.00
2031-2032	275,000.00	62,850.00	337,850.00
2032-2033	285,000.00	51,850.00	336,850.00
2033-2034	295,000.00	39,737.50	334,737.50
2034-2035	310,000.00	27,200.00	337,200.00
2035-2036	330,000.00	14,025.00	344,025.00
Totals	$6,915,000.00	$2,004,732.50	$8,919,732.50

Bond Discounts and Premiums

The College has bond discounts and premiums in connection with the issuance of its Tuition Revenue Bonds. The bond discounts and premiums are being amortized using the straight-line method over the life of the applicable bonds.

	Deferral on Refunding	Premium
Total Loss on Refunding and Premium	$358,314.09	$59,044.35
Amount Amortized Prior Years	228,212.06	15,581.14
Beginning Balance	130,102.03	43,463.21
Current Amount Amortized	33,188.31	2,460.18
Balance of Loss on Refunding and Premium	$ 96,913.72	$41,003.03

Pledged Revenues

Central Alabama Community College pledged student tuition and fees to repay $6,735,000.00 for the Revenue Bonds Series 2012, issued in January 2012. The funds were used to refund the Series 2003 Revenue Bonds, finance the costs of new capital improvements at the College's Alexander City Campus, more specifically the new library and other campus improvements. As of September 30, 2019, future revenues of $8,002,162.50 are pledged to repay outstanding principal and interest. During fiscal year 2019, $3,651,874 in pledged tuition revenues were collected with $439,250 or 12% of the pledged revenue, being used to pay principal and interest. These bonds are scheduled to mature in fiscal year 2036.

Central Alabama Community College pledged student tuition and fees to repay $2,075,000.00 for the Revenue Bonds Series 2005, issued in January 2005. The funds were used to provide funding to finance the acquisition, construction, and equipping of an instructional site located on the College's campus in Talladega, Alabama and pay the expenses of issuing the bonds. As of September 30, 2019, future revenues of $917,570 are pledged to repay outstanding principal and interest. During fiscal year 2019, $3,651,874 in pledged tuition revenues were collected with $153,232.50 or 4% of the pledged revenue, being used to pay principal and interest. These bonds are scheduled to mature in fiscal year 2025.

Note 10 – Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College has insurance for its buildings and contents through the State Insurance Fund (SIF), part of the State of Alabama, Department of Finance; Division of Risk Management which operates as a common risk management and insurance program for state owned properties. The College pays an annual premium based on the amount of coverage requested. The SIF provides coverage up to $2 million per occurrence and is self-insured up to a maximum of $6 million in aggregate claims. The SIF purchases commercial insurance for claims which in the aggregate exceed $6 million. The College purchases commercial insurance for its automobile coverage, general liability, and professional legal liability coverage. In addition, the College has fidelity bonds on the College's President and Dean of Financial Services, as well as on all other college personnel who handle funds.

Employee health insurance is provided through the Public Education Employees' Health Insurance Fund (PEEHIF) administered by the Public Education Employees' Health Insurance Board (PEEHIB). The Fund was established to provide a uniform plan of health insurance for current and retired employees of state educational institutions and is self-sustaining. Monthly premiums for employee and dependent coverage are determined annually by the plan's actuary and based on anticipated claims in the upcoming year, considering any remaining fund balance on hand available for claims. The College contributes a specified amount monthly to the PEEHIF for each employee and this amount is applied against the employee's premiums for the coverage selected and the employee pays any remaining premium.

Settled claims resulting from these risks have not exceeded the College's coverage in any of the past three fiscal years.

Claims which occur as a result of employee job-related injuries may be brought before the State of Alabama Board of Adjustment. The Board of Adjustment serves as an arbitrator and its decision is binding. If the Board of Adjustment determines that a claim is valid, it decides the proper amount of compensation (subject to statutory limitations) and the funds are paid by the College.

Note 11 – Net Position Restatement

Prior period adjustments have been made as outlined below:

Beginning Net Position, September 30, 2018	$(2,136,464.22)
To Void Outstanding Checks from a Prior Year	209,111.56
To Correct Prior Year Accounts Receivables	(29,010.89)
To Correct Prior Year Revenue	(3,384.50)
Total Adjustments	176,716.17
Net Position, October 1, 2018, as Restated	$(1,959,748.05)

Note 12 – Subsequent Event

Recently, the United States has encountered a COVID-19 pandemic which is adversely affecting the nation. On March 13, 2020, the President of the United States declared a state of emergency in response to the COVID-19 pandemic. Subsequently, on the same day, the Governor of Alabama declared a state of emergency. As a result, the operations of federal, state, and local governments including educational institutions have been modified to ensure the safety of its citizenry as well as its employees. It is highly anticipated that revenues from all sources, including taxes and federal grants that are received by the College will be severely impacted by this pandemic. Additionally, it is anticipated that there will be a significant increase in costs associated with the aftermath of COVID-19. Because so much is unknown at this time, it will be extremely difficult for the College to prepare budgets for the upcoming fiscal year to anticipate the impact of the pandemic. The College anticipates that its financial operations will be adversely impacted by this pandemic; however, the duration and severity of its effects is indeterminable at this time.

Required Supplementary Information

Schedule of the College's Proportionate Share of the Collective Net Pension Liability For the Year Ended September 30, 2019 (Dollar amounts in thousands)

	2019	2018
College's proportion of the collective net pension liability	0.113569%	0.119534%
College's proportionate share of the collective net pension liability	$ 11,292	$ 11,748
College's covered-employee payroll during the measurement period (*)	$ 7,057	$ 7,978
College's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	160.01%	147.25%
Plan fiduciary net position as a percentage of the total collective pension liability	72.29%	71.50%

(*) Per GASB 82, which amends GASB 68, covered payroll is defined as the payroll on which contributions to a pension plan are based, also known as pensionable payroll. For fiscal year 2019, the measurement period for covered payroll is October 1, 2017 through September 30, 2018.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

2017		2016		2015
	0.118711%		0.123786%	0.120400%
$	12,852	$ 12,955	$	10,938
$	6,992	$ 7,262	$	7,659
	183.81%		178.39%	142.81%
	67.93%		67.51%	71.01%

Schedule of the College's Contributions - Pension
For the Year Ended September 30, 2019
(Dollar amounts in thousands)

	2019	2018
Contractually required contribution	$ 957	$ 912
Contributions in relation to the contractually required contribution	$ 957	$ 912
Contribution deficiency (excess)	$	$
College's covered-employee payroll	$ 7,485	$ 7,057
Contributions as a percentage of covered-employee payroll	12.79%	12.92%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Per GASB 82, which amends GASB 68, covered payroll is defined as the payroll on which contributions to a pension plan are based, also known as pensionable payroll. For fiscal year 2019, the covered payroll is for the reporting fiscal year October 1, 2018 through September 30, 2019.

The amount of contractually required contributions is equal to the amount that would be recognized as additions from the College's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the College's fiscal year. For participants in TRS, this includes amounts paid for Accrued Liability, Normal Cost, Term Life Insurance, Pre-Retirement Death Benefit and Administrative Expenses.

2017		2016		2015	
$	939	$	892	$	887
$	939	$	892	$	887
$		$		$	
$	7,978	$	6,992	$	7,262
	11.77%		12.76%		12.21%

Schedule of the College's Proportionate Share of the Collective Net Other Postemployment Benefits (OPEB) Liability Alabama Retired Education Employees' Health Care Trust For the Year Ended September 30, 2019 (Dollar amounts in thousands)

	2019	2018
College's proportion of the collective net OPEB liability	0.094197%	0.097408%
College's proportionate share of the collective net OPEB liability (asset)	$ 7,742	$ 7,235
College's covered-employee payroll during the measurement period (*)	$ 7,590	$ 8,548
College's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	102.00%	84.64%
Plan fiduciary net position as a percentage of the total collective OPEB liability	14.81%	15.37%

(*) Per GASB 75, covered payroll is defined as the payroll of employees that are provided with OPEB through the OPEB plan. The covered payroll for this RSI Schedule (GASB 75 paragraph 97) is for the reporting period (i.e. the measurement period), which for the September 30, 2019 year is October 1, 2017 through September 30, 2018.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of the College's Contributions - Other Postemployment Benefits (OPEB) Alabama Retired Education Employees' Health Care Trust For the Year Ended September 30, 2019 (Dollar amounts in thousands)

	2019	2018
Contractually required contribution	$ 272	$ 233
Contributions in relation to the contractually required contribution	$ 272	$ 233
Contribution deficiency (excess)	$	$
College's covered-employee payroll	$ 7,457	$ 7,590
Contributions as a percentage of covered-employee payroll	3.65%	3.07%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes in Actuarial Assumptions

In 2016, rates of withdrawal, retirement, disability, mortality, spouse coverage, and tobacco usage 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 and later, 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 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.

Recent Plan Changes

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 is changed periodically to reflect the Affordable Care Act (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, 2016 three 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
Remaining Amortization Period	25 years, closed
Asset Valuation Method	Market Value of Assets
Inflation	2.875%
Healthcare Cost Trend Rate:	
Pre-Medicare Eligible	7.75%
Medicare Eligible	5.00%
Ultimate Trend Rate:	
Pre-Medicare Eligible	5.00%
Medicare Eligible	5.00%
Year of Ultimate Trend Rate	2022 for Pre-Medicare Eligible 2018 for Medicare Eligible
Investment Rate of Return	5.00%, including inflation

Supplementary Information

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number
Student Financial Assistance Cluster		
U. S. Department of Education		
Direct Programs		
Federal Supplemental Educational Opportunity Grants	84.007	
Federal Work-Study Program	84.033	
Federal Pell Grant Program	84.063	
Federal Direct Student Loans	84.268	
Total Student Financial Assistance Cluster (M)		
TRIO Cluster		
U. S. Department of Education		
Direct Programs		
TRIO - Student Support Services	84.042	
TRIO - Talent Search	84.044	
TRIO - Upward Bound	84.047	
Total TRIO Cluster		
OTHER FEDERAL AWARDS		
U. S. Department of Education		
Passed Through Alabama Department of Education		
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	N.A.
Career and Technical Education-Basic Grants to States	84.048	V048A18001
Passed Through Alabama Community College System		
Adult Education-Basic Grants to States	84.002	0919AE087
Appalachian Regional Commission		
Passed Through Alabama Department of Economic and Community Affairs		
Appalachian Area Development	23.002	AL-18618-2016
Appalachian Area Development	23.002	AL-18412-2016
Total Appalachian Area Development		
Total Federal Awards		

(M) = Major Program
N.A. = Not Available/Not Applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Pass-Through to Subrecipient	Total Federal Expenditures
	$ 72,631.00
	38,081.20
	3,202,569.37
	1,387,303.91
	4,700,585.48
	560,045.61
	407,167.51
	372,899.58
	1,340,112.70
	7,362.49
	76,999.94
	434,726.43
	87,477.72
	130,948.24
	218,425.96
	$ 6,778,213.00

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Central Alabama Community College, under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*** (*Uniform Guidance*). Because the Schedule presents only a selected portion of the operations of Central Alabama Community College it is not intended to and does not present the financial position, changes in net position, or cash flows of Central Alabama Community College.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Indirect Cost Rate

Central Alabama Community College has elected not to use the 10-percent de minimis indirect cost rate allowed under the *Uniform Guidance*.

Additional Information

College Officials

October 1, 2018 through September 30, 2019

Officials	**Position**
Mr. Jimmy Baker	Chancellor Alabama Community College System
Dr. Susan Burrow	President
Ms. Lisa Sawyer	Dean of Financial Services

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

Mr. Jimmy Baker, Chancellor – Alabama Community College System
Dr. Susan Burrow, President – Central Alabama Community College
Alexander City, Alabama 35010

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 Central Alabama Community College, a component unit of the State of Alabama, as of and for the year ended September 30, 2019, and related notes to the financial statements, which collectively comprise Central Alabama Community College's basic financial statements and have issued our report thereon dated February 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Alabama Community College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Alabama Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Alabama Community College'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 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Alabama Community College's financial statements are free of 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***.

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

February 26, 2020

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Mr. Jimmy Baker, Chancellor – Alabama Community College System
Dr. Susan Burrow, President – Central Alabama Community College
Alexander City, Alabama 35010

Report on Compliance for Each Major Federal Program

We have audited Central Alabama Community College's, a component unit of the State of Alabama, compliance with the types of compliance requirements described in the ***OMB Compliance Supplement*** that could have a direct and material effect on each of Central Alabama Community College's major federal programs for the year ended September 30, 2019. Central Alabama Community College's major federal programs are identified in the Summary of Examiner's Results Section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Central Alabama Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; and Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*** (*Uniform Guidance*). Those standards and the *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Central Alabama Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Central Alabama Community College's compliance.

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Opinion on Each Major Federal Program

In our opinion, Central Alabama Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of Central Alabama Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central Alabama Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Alabama Community College's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

February 26, 2020

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Section I – Summary of Examiner's Results

Financial Statements

Type of opinion issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified?	______ Yes	X None reported
Noncompliance material to financial statements noted?	______ Yes	X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified?	______ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the *Uniform Guidance*?	______ Yes	X No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
	Student Financial Assistance Cluster
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000.00	
Auditee qualified as low-risk auditee?	______ Yes	X No

Section II – Financial Statement Findings (GAGAS)

No matters were reportable.

Section III – Federal Awards Findings and Questioned Costs

No matters were reportable.

Summary Schedule of Prior Audit Findings

CENTRAL ALABAMA COMMUNITY COLLEGE
1675 CHEROKEE ROAD • ALEXANDER CITY, AL 35010 • 256-215-4301

OFFICE OF THE PRESIDENT

Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2019

As required by the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 2 CFR 200.511, Central Alabama Community College has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of September 30, 2019.

Finding Ref. No.	Status of Prior Audit Finding

2018-001
Prior year audit finding 2017-007 is brought forward to the current fiscal year as follows: Federal Register, Volume 79, Number 133 states, "An institution must submit Pell Grant, Iraq and Afghanistan Service Grant, Direct Loan and TEACH Grant disbursement records, as applicable, no later than 15 days after making the disbursement or becoming aware of the need to adjust a student's previously reported disbursement". In accordance with 34 CFR 668.164(a), Title IV funds are disbursed on the date that the institution: (a) Credits those funds to a student's account in the Institution's general ledger or any sub-ledger of the general ledger, or (b) pays those funds to a student directly. Title IV funds are disbursed even if an institution uses its own funds in advance of receiving program funds from the Secretary.
During the review of Federal Student Aid reconciliations, reconciling items between COD and the SFA module were noted for Loans 17-18 and Pell 17-18. The reconciling items for the programs consisted of 297 students.

Twenty-five students were reviewed. All of the students had differences between COD and the general ledger due to amounts that needed to be reported to COD for disbursements made on their accounts or for Title IV Refund Calculations. After review, it was noted that thirteen of the adjustments were not reported to COD within the 15 day requirement.

Response: Corrective action has been taken.

Susan Burrow
Signature

President
Title

October 4, 2019
Date

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

Central Alabama Community College has campuses located in located in east central Alabama in Alexander City, Childersburg, Prattville and Talladega, Alabama.

Population

The following table sets forth population estimates statistics for the State of Alabama, Talladega and Tallapoosa Counties for the years indicated.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Alabama	4,785,437	4,799,069	4,815,588	4,830,081	4,841,799	4,852,347	4,863,525	4,874,486	4,887,681	4,903,185
Talladega	41,476	41,402	41,048	41,028	40,884	40,605	40,586	40,613	40,535	40,367
Tallapoosa	194,996	196,745	198,807	201,084	203,086	204,767	206,464	207,618	208,319	209,355

Source: U.S. Census Bureau, Population Division. Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2019; Release Date March 2020.

Income Levels

Per capita personal income is the total income of all families and individuals in a given area divided by the total population of the area. The U.S. Department of Commerce Bureau of Economic Analysis indicates the following with respect to per capita personal income levels in the following jurisdictions.

	2013	2014	2015	2016	2017	2018	2019
Talladega County	$29,773	$30,925	$31,917	$32,708	$33,624	$34,709	$36,125
Tallapoosa County	$34,680	$35,335	$37,669	$38,580	$39,440	$40,957	$42,509
State of Alabama	$36,110	$37,271	$38,891	$39,536	$41,030	$42,710	$44,145
United States	$44,868	$47,370	$48,948	$49,246	$52,118	$54,606	$54,490

Source U.S. Department of Commerce, U.S. Bureau of Economic Analysis; U.S. Bureau of Economic Analysis, Per Capita Personal Income, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org., Release Date: November 2020.

The percentage of all ages in Talladega and Tallapoosa Counties, in the State of Alabama and in the United States with income below the poverty level as of 2019 is as follows:

Talladega County	17.4%
Tallapoosa County	16.0%
State of Alabama	15.6%
United States	12.3%

Sources: U.S. Census Bureau, Small Area Income and Poverty Estimates (SAIPE) Program. Release Date: December 2020.

Employment and Unemployment

The following table sets forth comparative unemployment rates for the State of Alabama and the United States in each of the years indicated:

	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020***
State of Alabama	6.8%	6.1%	5.9%	4.4%	3.8%	3.0%	4.7%
United States	6.2%	5.3%	4.9%	4.4%	3.7%	3.6%	6.7%

Source: Alabama Department of Industrial Relations in cooperation with the Bureau of Labor Statistics, based on 2019 benchmark; *December 2020 (revised January 2021).

The following tables sets forth comparative civilian labor force, employment, unemployment and unemployment rates for Tallapoosa and Talladega Counties in each of the years indicated:

Tallapoosa County

	2016	**2017**	**2018**	**2019**	**2020**
Civilian Labor Force	18,426	18,151	17,880	18,452	17,848
Employment	17,396	17,363	17,144	17,894	16,609
Unemployment	1,030	788	736	558	1,239
Unemployment Rate	5.6	4.3	4.1	3.0	6.9

Source: Alabama Department of Labor in cooperation with United States Department of Labor, Bureau of Labor Statistics, based on 2020 benchmark. Date March 8, 2021.

Talladega County

	2016	**2017**	**2018**	**2019**	**2020**
Civilian Labor Force	34,528	34,558	35,180	35,654	36,103
Employment	32,244	32,772	33,686	34,428	33,571
Unemployment	2,284	1,786	1,494	1,226	2,532
Unemployment Rate	6.6	5.2	4.2	3.4	7.0

Source: Alabama Department of Labor in cooperation with United States Department of Labor, Bureau of Labor Statistics, based on 2020 benchmark. Date: March 8, 2021.

Labor Force Characteristics

The following table sets forth the estimated employment and mean annual wages of experienced and entry level statistics reflecting estimates adjusted to 4th Quarter 2020 for the Northeast Balance of State Areas which includes Talladega and Tallapoosa Counties in Alabama:

Nonagricultural Wage and Salary Employment for Northeast BOS

	Number Employed	Total Wages	%
Health Care and Social Assistance	16,630	$ 43,124	12.1
Retail Trade	16,870	31,030	12.3
Manufacturing	43,270	40,676	31.6
Accommodation and Food Services	11,840	21,718	8.6
Administrative and Waste Services	8,160	29,572	6.0
Construction	4,660	43,801	3.4
Professional and Technical Services	2,240	51,873	1.6
Transportation and Warehousing	5,550	43,134	4.0
Wholesale Trade	4,030	47,551	2.9
Other Services, Ex. Public Admin.	2,100	38,093	1.5
Finance and Insurance	2,920	45,749	2.1
Real Estate, Rental and Leasing	1,050	37,259	0.8
Educational Services	12,840	45,999	9.3
Information	1,070	52,113	0.8
Arts, Entertainment and Recreation	970	35,207	0.7
Utilities	640	70,060	0.5
Management of Companies and Enterprises	700	81,383	0.5
Agriculture, Forestry, Fishing & Hunting	700	37,072	0.5
Mining	480	48,603	0.4
Total wage and salary employees	136,720	$844,017	100

Source: Alabama Department of Labor, Labor Market Information Division in cooperation with the U.S. Bureau of Labor Statistics. Estimates are from the BLS May 2019 Occupational Employment and Wage Report. Employment Cost Index factors current through December 2020.

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________________

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)