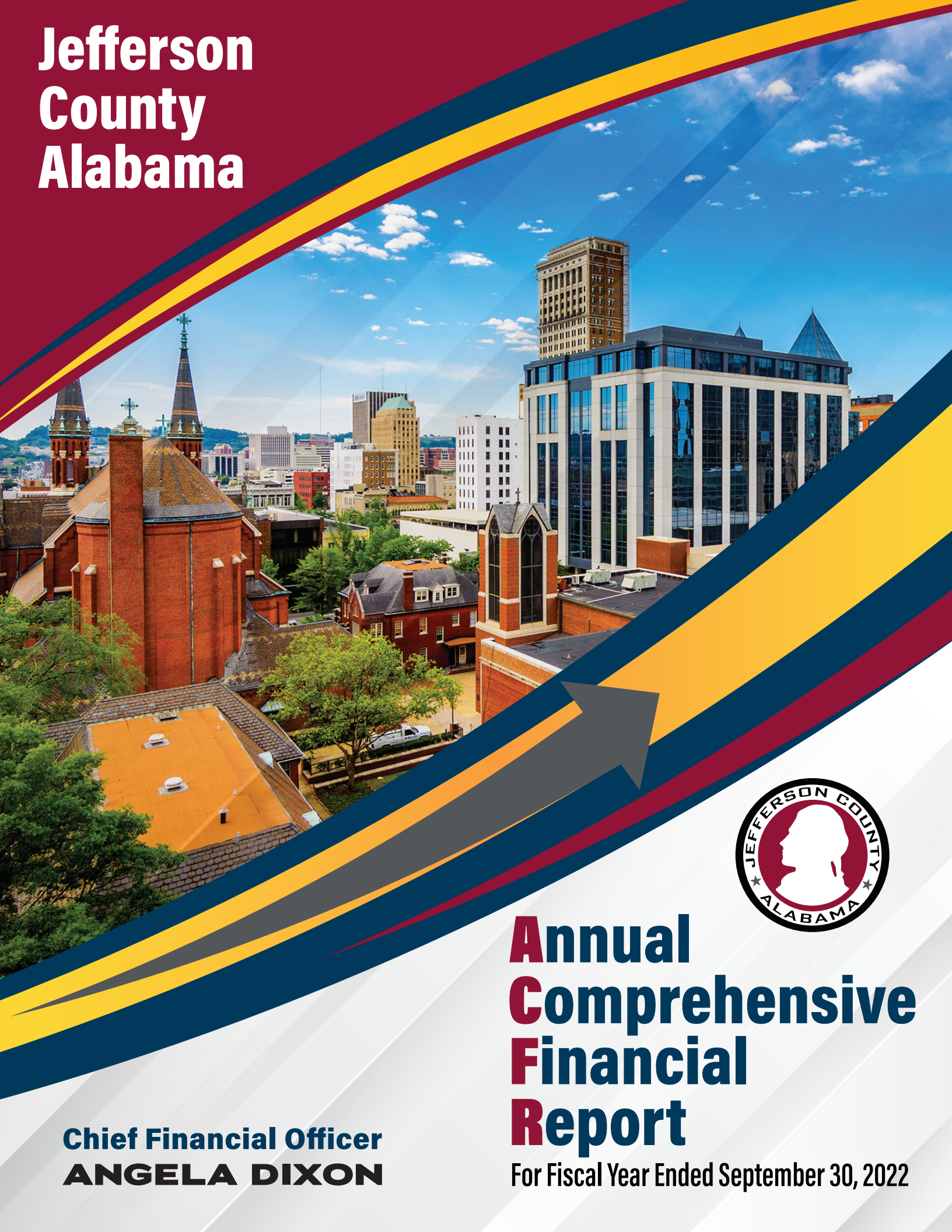


Jefferson County Alabama



Annual Comprehensive Financial Report

Chief Financial Officer
ANGELA DIXON

For Fiscal Year Ended September 30, 2022

**Jefferson
County
Alabama**

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2022

**Chief Financial Officer
ANGELA DIXON**



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Jefferson County, Alabama Annual Comprehensive Financial Report For the Fiscal Year Ended September 30, 2022

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INTRODUCTION SECTION



JEFFERSON COUNTY COMMISSION



JAMES A. (JIMMIE) STEPHENS - President
LASHUNDA SCALES - President Pro-Tempore
STEVE AMMONS
JOE KNIGHT
SHEILA TYSON

Cal Markert
County Manager

FINANCE DEPARTMENT
ANGELA M. DIXON, CPA
Chief Financial Officer
716 Richard Arrington, Jr. Blvd. N.
Birmingham, Alabama 35203

March 31, 2023

To the Jefferson County Commissioners and the Citizens of Jefferson County:

Jefferson County's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022 represents the official comprehensive publication of the County's financial position as of September 30, 2022. The County has prepared the Annual Comprehensive Financial report in accordance with generally accepted accounting principles in the U.S. (GAAP). This report is submitted as required by Alabama State Law.

The Jefferson County Finance Department is responsible for the accuracy of data, including disclosures, along with the Management of Jefferson County. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The basis of reliance for the financial statements is based on internal controls that are also outlined within the audited financial report.

The submitted statements were subjected to an independent audit by Mauldin & Jenkins, LLC. The firm has issued an unmodified opinion on Jefferson County's financial statements for the fiscal year ended September 30, 2022. Mauldin and Jenkins' report is included in the Finance section of this ACFR. Mauldin & Jenkins has also issued a separate Report of Independent Certified Public Accountants in Accordance with *Government Auditing Standards*, which is not included in this ACFR.

The fiscal year 2022 Single Audit was completed by Warren Averett LLC, which issued a separate report that is also not contained in this ACFR. The Single Audit was performed in accordance with Government Auditing Standards and represents the fair presentation of expenditures of federal awards in the County's financial statements for the fiscal year ending September 30, 2022. Internal controls over financial reporting were also tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements related to the Single Audit, but an opinion on internal controls was not provided.

Following the audit report letter is the County's Management Discussion and Analysis (MD&A), which provides a narrative, an introduction, overview, and analysis of the basic financial statements. This letter of transmittal is complemented by the MD&A (pages 16-27) and should be read in conjunction with the letter of transmittal.

County Overview

Founded in 1819, Jefferson County is the most populous county in the State of Alabama (according to the 2020 US Census Bureau population data for Jefferson County, 674,721 residents). The County covers approximately 1,124 square miles and is divided into two divisions – the Birmingham and Bessemer Divisions, each having their own judicial district, courthouse, and county offices.

Jefferson County is home to 34 municipalities within its boundaries and five more that partly extend into the County for a total of 39, the most of any county in the State and one of the highest numbers in the nation. While the Commission has no oversight over the municipalities, the Commissioners do act as liaisons between the cities and towns in their districts and the Commission as a whole. There are five elected Commissioners who serve four-year terms.

Jefferson County Roads and Transportation division is responsible for the maintenance of more than 1,800 miles of paved roads, 11,500 drainage crossings, and 296 bridges. They have 5,100 acres of roadside to mow, clear and maintain, more than 41,500 traffic signs and 434 traffic signals.

The Environmental Services Department manages nine water reclamation facilities, serving twenty-three of the municipalities within the County, along with small portions of neighboring Shelby County and St. Clair County. Those facilities treat an average of one hundred million gallons of wastewater per day.

The Community Services Department offers the community a wealth of information and opportunity. This department provides senior programs and services to those in need across the County. In addition, this department works with the community on housing and community grant programs, as well as cities with opportunities to collaborate on building storm shelters, community centers and other grant projects. The department has also been managing the partner non-profits providing rental assistance through the state-provided federal COVID funding.

The Development Services Department facilitates investment in the County and promotes orderly growth and environmental quality to create a balanced, sustainable community that enhances the quality of life and protects the health, safety, and welfare of residents, business owners and visitors.

Form of Government

In 2011, Jefferson County adopted the County Manager form of government. Under the County Manager form of government, the Commission is responsible for legislative functions such as establishing policy, passing local ordinances, and developing a vision of the organization, and the County Manager is responsible for managing operations in conjunction with the department heads. (See organization chart included in this Introduction Section.)

The accompanying financial statements present the activities of the Jefferson County Commission's primary government and its component units. Note 1A on page 39 to the Financial Statements provide additional guidance on these representations.

The Commission is required to adopt an initial annual budget no later than its first regular meeting in October. This annual budget serves as a foundation for Jefferson County's financial planning and control. The proposed budget appropriation must not exceed the total revenue available for

appropriation. The budget is organized by department and departments may transfer certain resources within a departmental budget without Commission approval. However, transfers between departments and unexpected budget needs (including personnel changes) must receive approval from the Commission before adjustments can be made.

Local Economy

The World Paid Us A Visit

In 2022 Jefferson County and the Birmingham Metro-Area hosted The World Games and in 2025 will be host for the World Police and Fire Games. The World Games drew a diverse international crowd of athletes, fans, and media to our community. Visitors enjoyed sporting events at a variety of venues including the newly renovated Birmingham-Jefferson Civic Center and adjoining Protective Stadium. Both venues received significant financial support from the County, and tremendous accolades from the community.



World Games fans enter Protective Stadium for the opening of the games.

Growing Business

The Jefferson County Commission is committed to the economic growth and development of the County and surrounding areas. To achieve this objective the County Commission has elected to invest \$10 million annually along with tax abatements as an incentive to spur economic growth. The goal is to attract new companies, assist existing companies with growth and create new jobs, all of which increases the County's tax base and overall gross domestic product (GDP).

The County Commission created an Economic Development Committee to oversee the abatement and job incentive process. The Commissioners are responsible for reviewing and approving applicants on behalf of the County. The Commission collaborates with management,



Groundbreaking on new Cooper Green Mercy Health Services clinic for Jefferson County indigent population.

municipalities, the State of Alabama Department of Commerce, the Birmingham Business Alliance, and other economic development entities to recruit and evaluate potential companies and economic development projects. A cost/benefit analysis is conducted by the Birmingham Business Alliance to determine if the project meets the objectives of the Commission and will achieve the goal of the Commission.

The County's abatement policy and procedures are developed in accordance with Alabama State statute. Many of the abatements are tied to the number of jobs created and how much those jobs pay. The Tax Assessor is responsible for tracking the abatements and the Budget Management Office is responsible for tracking the annual \$10 million allocated by the Commission for economic incentives for prospective businesses. The Economic Development Committee works collaboratively with Jefferson County's legal team to ensure recipients follow abatement agreements and meet agreed-upon performance targets. All entities approved for abatements or job incentives are required to create and maintain a minimum of 50 new jobs. (See Note 13, page 89, Tax Abatements).

In 2022, the Commission approved abatements for the following projects:

- HarbinsonWalker International, a manufacturing company with a capital investment of \$25 million and 50 jobs.
- The expansion of Evonik Industries, a life sciences company providing an additional 27 jobs and a \$2.8 million dollar investment.
- Kratos Defense and Security Solutions, an aerospace firm providing 189 jobs and a \$8.6 million dollar capital investment.
- Expansion of Chester's International foods with 17 additional jobs and a \$5 million dollar investment.
- Expansion of The John R. White Company foods with 10 additional jobs and a \$1.7 million dollar investment.
- Boise Cascade Building Materials Distribution Company expanded and created an additional 5 jobs with an additional \$8 million dollar investment.
- O'Neal Steel, a manufacturing company, expanded with a \$2.6 million dollar investment creating 6 new jobs.
- Energy Pipe & Supply, a distribution and logistics company created 10 additional jobs with a \$1 million dollar expansion.

Jefferson County is continuing to watch the construction progress of the J.M. Smucker Company in the McCalla community as it builds its first production facility in the Southeast. A new hospital is also being built in this community and the County is working on planned road and sewer infrastructure projects in this community that will support this economic growth.

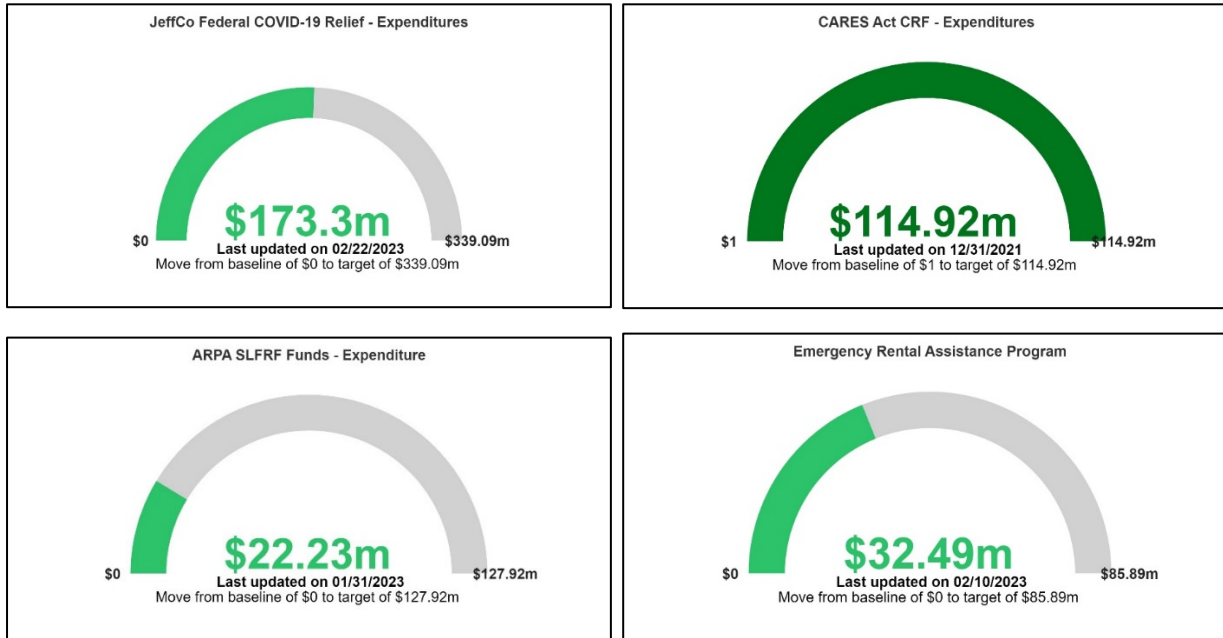
Distribution of Federal COVID Relief Funds

The Coronavirus Aid, Relief, and Economic Security Act (CARES), and American Rescue Plan Act, as well as other federal pieces of budgeting legislation have resulted in \$339,085,936 of COVID-relief aid being provided directly to the Jefferson County Commission.

The County Manager's Office, along with the Department of Finance and Department of Community Services, continues to work with the Witt O'Brien's consulting firm – leaders in global risk management and emergency response - to ensure distribution of this funding is conducted in a manner consistent with federal rules and guidelines. To date, over \$173 million of this aid has been distributed directly to citizens in need and organizations serving Jefferson County.

With these funds, the County has supported food insecurity mitigation, supported rental and utility assistance programs, and helped to mitigate the negative economic impacts of the pandemic for organizations that needed it most. The success of our rental and utility assistance program has led to the County receiving additional allocations of funds for residents in need.

While the CARES Act Coronavirus Relief Fund program has been closed, several other programs are still active and continuing to serve the needs of the citizens of Jefferson County.



Long-Term Financial Planning and Major Initiatives

JeffCo Way

In his first year as County Manager, Cal Markert, has introduced to, and trained his leadership team on, lean principles and has created the JeffCo Way. The JeffCo Way is the County’s internal guiding principle. It’s how the County Manager and his leadership team make decisions, based on providing long-term value to the customer – the citizens of Jefferson County. The JeffCo Way is also empowering the County’s employees to raise their hands when they see issues, so those issues can be identified and fixed. Now that the leadership team has been trained, the JeffCo Way will be rolled out over the coming year to mid-level managers and employees to put into practice.

The JeffCo Way

- Incorporation of Lean principles making up the JeffCo Way in all departments under the County Manager and setting an example to encourage their use system-wide.
- Improvement Boards, Plan-Do-Check-Act, Visual Management and Standardization.
- Creating an empowering work environment that encourages responsibility and decision making at all organizational levels.

Leveraging Information Technology

- Using the best available technology to creatively improve efficiency, manage and improve the citizen and employee experience.
- Providing the best IT support enterprise wide – where needed, when needed.

Customer Service

- Utilization of customer service standards with a focus on customer satisfaction and priority in the design and efficient delivery of County services.

Telling Our Story

- Employing various communication methods, including social media, to ensure transparency and to tell the story of local government services and performance.
- Strategically supplementing the organization's communication tools to provide the most effective outreach opportunities.

Top Talent

- Engage staff utilizing the JeffCo Way to improve processes and deliver quality services.
- Management taking responsibility for the development, performance, and success of employees throughout the organization and providing them a sense of direction and purpose.
- Utilizing coaching and mentoring to provide direction, support, and feedback to enable others to meet their full potential.
- Maintaining a positive atmosphere where interactions are based in respect and professionalism.

Strategic Plan

In November 2020, based on the development of mission and vision statements, Jefferson County published a five-year strategic plan. The four main goals of the plan have key initiatives and specific measurable objectives. This plan can be found on the County's website along with performance indicators that are updated quarterly, so the public can see how the County is making progress. <https://performance.jccal.org/>

The County is currently updating that strategic plan; however, the core strategic anchors remain the same:

1. Promote a citizen-focused culture that strives for accountability and consistent, efficient, delivery of service.
2. Create a quality, sustainable infrastructure that is efficient and serves the community.
3. Attract, select, develop, and retain a skilled and diverse workforce.
4. Build the economic stability of the county and continue to create a culture of trust and financial transparency.

By publicly sharing the goals and objectives with citizens and demonstrating accountability, the hope is to continue to build trust with the Jefferson County community. Major initiatives that are currently being implemented to facilitate community trust are as follows:

- Leverage technology to decrease wait times by 20% in both our sewer billing and revenue departments.
- Improve customer service satisfaction 20% over four years based on initial customer survey completed in 2023.
- Complete 80% of the County's five-year capital plan over four years.
- Improve the mobility of citizens and goods through Jefferson County by providing a public road system that achieves an inspection rating of "good" or higher on county-maintained roads.

- Preserve and protect a clean water supply by replacing or rehabilitating 60% of deteriorated sewer lines by 2026.
- Provide best-in-class facilities for the public to conduct business in and for employees to work in, by averaging 80% of preventative maintenance work orders completed on-time over four years.
- Improve the overall safety and provide a higher quality of life in our communities by demolishing 200 blighted and abandoned structures over four years.
- Maximize the investment made in human capital by achieving a 2-year retention rate of 75% for employees.
- Create defined talent development tracks for the five largest job groups in the County, providing employees a career path option to encourage long-term commitment.
- Maintain or improve the current bond ratings of the County's outstanding long-term debt.
- Increase the County's Budget Stabilization, Catastrophic, and Uncertainty Reserve Funds to 16% of the General Fund's annual expenditures (See *Relevant Financial Policies*).

Relevant Financial Policies

Jefferson County is committed to ensuring that fiscal stability is maintained in order to increase citizens' access to essential services. Jefferson County maintains a significant General Fund balance. Additionally, to ensure the long-term financial health of the County, Jefferson County has established three separate reserve funds (Economic Uncertainty Fund, Budget Stabilization Fund, and Catastrophic Event Fund). As of September 30, 2022, the County's total cash reserve balance in these three emergency reserve accounts was approximately \$60.2 million. County leadership is committed to increasing the County's reserve balance from the excess of revenues over expenditures on an annual basis.

Jefferson County has an important responsibility to its citizens to carefully account for public funds, to wisely manage these funds, and to plan the adequate funding of services the public considers necessary. The County has taken great steps to ensure that necessary government services are fully funded and provided to the community. The scope of the policies developed to ensure this accountability spans the general budget, revenue, debt, investment, reserve, financial reporting, transfer, asset inventory and long-range strategic policies.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award for the Commission's annual budget document dated for the period beginning October 1, 2021. To qualify for the Distinguished Budget Presentation Award, the Commission's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgement

The preparation of this document could not have been accomplished without the dedicated efforts of the staff of the Finance Department and County Administration. Appreciation is expressed to all members of the County government for assisting and contributing to the preparation of this report.

Respectfully submitted,



Cal Markert
County Manager



Angela M. Dixon, CPA
Chief Financial Officer



Jefferson County Commissioners

As Of September 30, 2022



Commissioner
Joe Knight
District 4

Commissioner
Lashunda Scales
District 1

Commissioner
James Stephens
District 3

Commissioner
Sheila Tyson
District 2

Commissioner
Steve Ammons
District 5

Citizens of
Jefferson County

Jefferson County Commission



Commissioner
Steve Ammons



Commissioner
Lashunda Scales



Commissioner
James Stephens

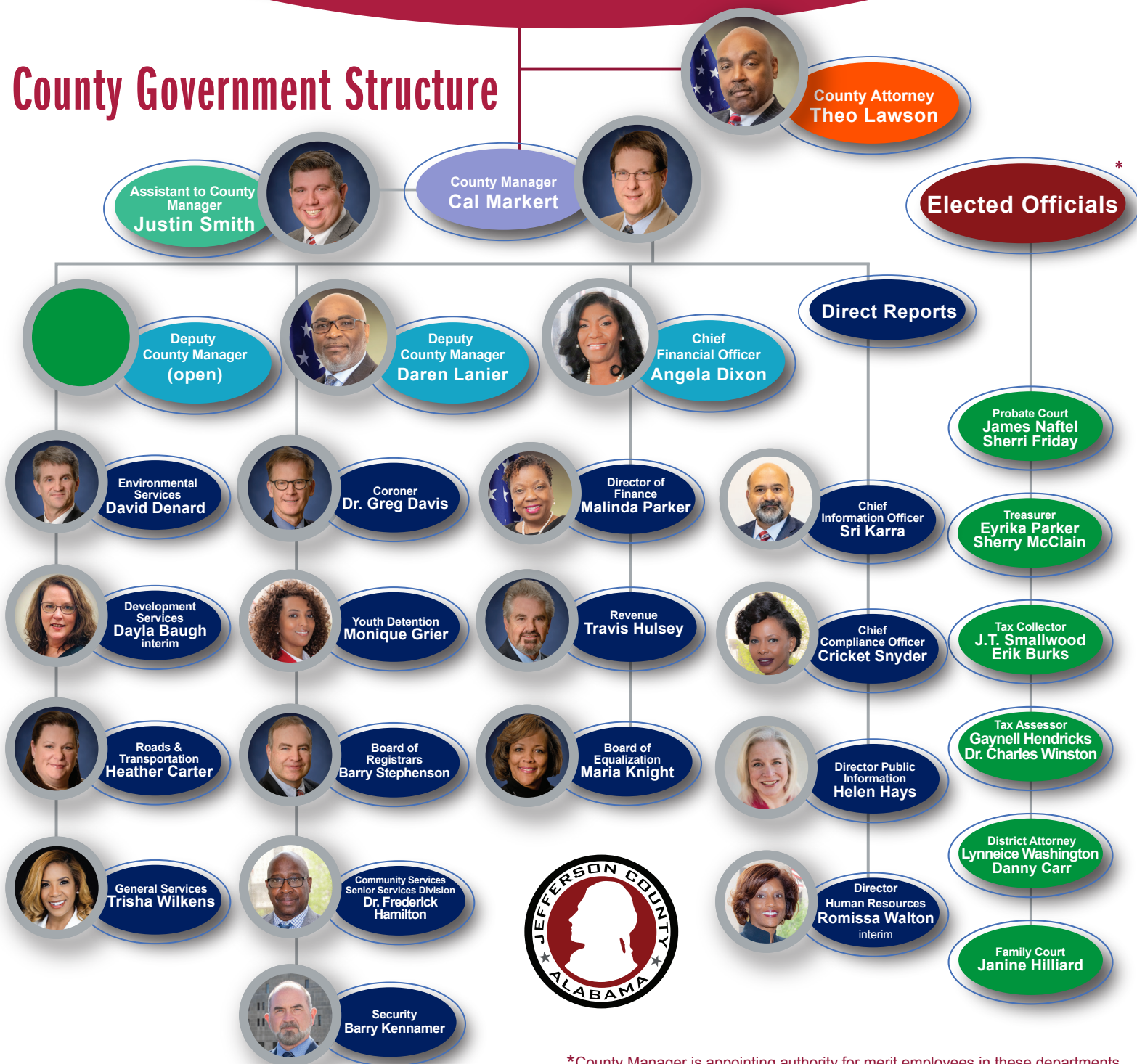


Commissioner
Sheila Tyson



Commissioner
T. Joe Knight

County Government Structure



*County Manager is appointing authority for merit employees in these departments.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Jefferson County
Alabama**

For the Fiscal Year Beginning

October 01, 2021

Christopher P. Morill

Executive Director

FINANCE SECTION





INDEPENDENT AUDITORS' REPORT

To the Commissioners
of Jefferson County, Alabama
Birmingham, Alabama

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Jefferson County, Alabama** (the "County"), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Jefferson County Economic and Industrial Development Authority, which represents 51 percent, 321 percent, and negative 2 percent, respectively, of the assets and deferred outflows of resources, deficit net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the General Retirement System for Employees of Jefferson County. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Jefferson County Economic and Industrial Development Authority and the General Retirement System for Employees of Jefferson County, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the General Retirement System for Employees of Jefferson County were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 8, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, as of October 1, 2021. This standard significantly changed the accounting for the County's lease activities. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison schedules for the General Fund, the Special Sales Tax Revenue Fund, the Indigent Care Fund, and the American Rescue Plan Fund, the schedule of changes in the County's total OPEB liability and related ratios, the schedule of changes in the County's net pension liability and related ratios, the schedule of County contributions, and the schedule of pension investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

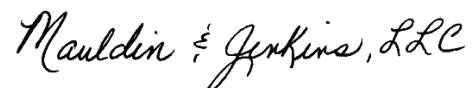
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introduction and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Birmingham, Alabama
March 31, 2023

Jefferson County, Alabama Management's Discussion and Analysis September 30, 2022

As management of Jefferson County, Alabama (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2022. This discussion is intended to: (1) assist the reader in understanding significant financial issues; (2) provide an overview of the County's financial activities; (3) identify changes in the County's financial position; (4) identify material deviations from the County's original budget; and (5) identify individual fund issues or concerns. This discussion has been prepared by management along with the financial statements and related note disclosures, and should be read in conjunction with the financial statements and notes. The financial statements, notes, required supplementary information, and this discussion are the responsibility of management.

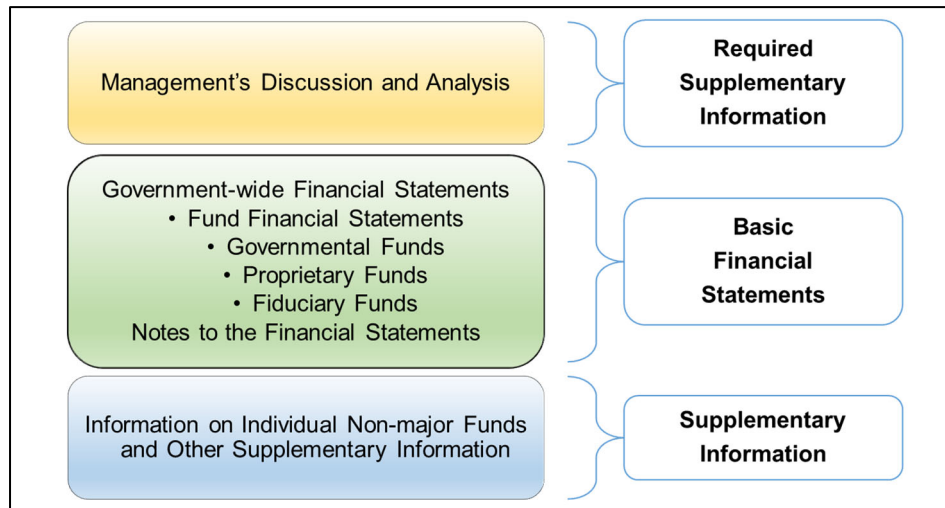
Financial Highlights

The following are the County's financial highlights for the fiscal year ending September 30, 2022:

- As of September 30, 2022, the County's total net position was \$532 million, a decrease of \$20.6 million from net position as of September 30, 2021.
- Combined revenue totaled approximately \$799 million of which governmental activities totaled \$565 million and business-type activities totaled approximately \$234 million.
- Overall expenses totaled \$819 million of which governmental activities totaled approximately \$428 million and business-type activities totaled approximately \$392 million.
- Assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$532 million (net position). The unrestricted net position, which represents the amounts available to meet the County's ongoing obligations to citizens and creditors, was a deficit of approximately \$148 million.
- At the close of the current fiscal year, the County's governmental funds reported combined balances of \$493 million, an increase of \$143 million in comparison with the prior fiscal year. Of this amount, \$203 million is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the assigned and unassigned components of fund balance) for the General Fund was approximately \$296 million.

Overview of the Financial Statements

The following illustration is provided as a guide for the financial statements:



The discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The County's basic audited financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This section also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements:

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the primary government. There are two government wide statements, the statement of net position and the statement of activities, which are produced using the accrual basis of accounting. Additional information on the accrual basis of accounting can be found in Note 1 Section C on page 41 of this report.

The *statement of net position* presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. The format of this statement is very different from a traditional "income statement". The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events giving rise to the changes in net position, regardless of the timing of related cash flows. Thus, revenues and expenses reported for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Each of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of the costs through user fees and charges (business type

activities). The governmental activities of the County include general government, public safety, law library operations, highway and roads, health and welfare, and community development. The business-type activities of the County include sanitary operations, landfill operations, and economic development (Hallmark Farms).

The government-wide financial statements include the County itself (known as the primary government), the Jefferson County Personnel Board, Emergency Management Agency, and Jefferson County Economic and Industrial Development Authority. These legally separate entities are reported as component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28 through 29.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (in the government wide financial statements).

The County maintains separate governmental funds to account for the following activities: primary government (General Fund), special revenues, capital projects, and debt service. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for each of the major governmental funds. Data from the other (non-major) governmental funds are combined into a single, aggregated column.

The basic governmental fund financial statements can be found on pages 30 through 33.

The County adopts an annual appropriated budget for its various governmental activities. A budgetary comparison is included in this report for the individual non-major funds and for the following major funds: General Fund, Special Sales Tax Revenue, Indigent Care, and American Rescue Plan. These statements and schedules for the County's major funds are found on pages 94 through 100.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Information regarding the measurement focus and basis of accounting can be found in Note 1. C. on page 41 of this report.

Proprietary funds

The County maintains one type of proprietary fund: enterprise funds. The enterprise funds are used to account for quasi-business functions where revenues typically come from charges or fees (sanitary usage) rather than taxes. The County uses enterprise funds to account for its sanitary sewer systems, landfill, and economic development activities.

The County adopts an annual budget for management purposes for its enterprise funds. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Sanitary Operations, which is considered to be a major fund of the County. Data from the other (non-major) enterprise funds are combined into a single, aggregated column: Landfill Operations and Hallmark Farms Cooperative District (blended component unit). These statements are found on pages 124 through 126.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Information regarding the measurement focus and basis of accounting can be found in Note 1. C. on page 41 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not owned by or available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds, and their financial statements are reported on the accrual basis of accounting as well. The County maintains seven fiduciary funds: The Pension Trust Fund, Tax Collector Fund, Department of Revenue Fund, Treasurer's Trust Fund, Sheriff Fund, Family Court Fund, and Probate Court Fund. The details associated with the Pension Trust Fund are included in Note 9 (Defined Benefit Pension Plan) on pages 78 through 83. These fiduciary funds are aggregated and presented on pages 127 through 128.

Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Information regarding the measurement focus and basis of accounting can be found in Note 1. C. on page 41 of this report.

Notes to the financial statements

The financial statements also include notes that explain the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. This information begins on page 39 of the audited financial statements.

Government-wide Financial Analysis of the Commission

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$532.2 million as of September 30, 2022, resulting in a deficit of unrestricted net position of approximately (\$148) million as of September 30, 2022. The County's net position decreased 4% from the previous fiscal year. This was primarily due to an increase in investment losses reported in the Sanitary Operation Fund of approximately \$42.6 million in fiscal year 2022 compared to reporting investment earnings of \$3.3 million in the prior fiscal year.

Total Primary Government

The County's combined net position (governmental and business-type activities) decreased 4% between the fiscal years 2022 and 2021 by \$20.6 million to \$532.2 million. This is largely associated with the decrease in the net position for business-type activities of \$157 million.

The following table presents financial information for governmental and business-type activities for the fiscal year ended September 30, 2022, with comparative data for the fiscal year ended September 30, 2021.

Table A-1
Jefferson County Commission's Net Position
(In thousands of dollars)

	Governmental Activities				Business-Type Activities				Totals			
	2022	2021, Restated	Change	Percent Change	2022	2021	Change	Percent Change	2022	2021, Restated	Change	Percent Change
Current and Other Assets	\$ 1,054,756	\$ 756,194	\$ 298,562	39%	\$ 608,610	\$ 576,493	\$ 32,117	6%	\$ 1,663,366	\$ 1,332,687	\$ 330,679	25%
Capital Assets (Net)	382,985	372,515	10,470	3%	1,897,477	1,979,388	(81,911)	-4%	2,280,462	2,351,903	(71,441)	-3%
Total Assets	1,437,741	1,128,709	309,032	27%	2,506,087	2,555,881	(49,794)	-2%	3,943,828	3,684,590	259,238	7%
Deferred Outflows of Resources	50,456	40,396	10,060	25%	11,839	8,148	3,691	45%	62,295	48,544	13,751	28%
Current Liabilities	197,112	149,186	47,926	32%	62,697	55,160	7,537	14%	259,809	204,346	55,463	27%
Other Liabilities	599,966	560,810	39,156	7%	2,300,590	2,228,345	72,245	3%	2,900,556	2,789,155	111,401	4%
Total Liabilities	797,078	709,996	87,082	12%	2,363,287	2,283,505	79,782	3%	3,160,365	2,993,501	166,864	6%
Deferred Inflows of Resources	276,382	180,436	95,946	53%	37,159	6,377	30,782	483%	313,541	186,813	126,728	68%
Net Position:												
Net Investment in Capital Assets	(19,809)	(58,408)	38,599	-66%	164,383	235,654	(71,271)	-30%	144,574	177,246	(32,672)	-18%
Restricted	69,088	150,430	(81,342)	-54%	466,193	471,373	(5,180)	-1%	535,281	621,803	(86,522)	-14%
Unrestricted	365,458	186,651	178,807	96%	(513,096)	(432,880)	(80,216)	19%	(147,638)	(246,229)	98,591	-40%
Total Net Position	\$ 414,737	\$ 278,673	\$ 136,064	49%	\$ 117,480	\$ 274,147	\$ (156,667)	-57%	\$ 532,217	\$ 552,820	\$ (20,603)	-4%

The restricted net position totaling \$535 million on September 30, 2022, represents resources subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The County presents restricted net position for Grant Programs (\$9.4 million), Tax Assessor Operations (approximately \$1.8 million), Public Works (approximately \$15.2 million), Public Safety (\$6.0 million), Law Library Operations (approximately \$986 thousand), Equalization Operations (\$868 thousand), Community Development (approximately \$3.3 million), Health and Welfare (\$11.1 million), Debt Service (\$8.3 million), Landfill Assurance (approximately \$6.8 million), Unsecured Claims (\$5.3 million), and Capital Improvements and Debt Service (\$466 million) associated with the County's Sanitary Operations.

Governmental Activities

As can be seen in Table A-2, the change in net position for fiscal year 2022 for governmental type activities totaled \$136 million, an approximately \$15.8 million increase (13%) from fiscal year 2021. This change is largely associated with the increase in sales taxes related to Simplified Sellers Tax which is a tax for online purchases which increased significantly during the global pandemic.

Business-Type Activities

As of September 30, 2022, the County's business-type activities (major and non-major) reported a net position of \$117.4 million, a decrease of approximately \$157 million from net position as of September 30, 2021. The net position decrease can be attributed to an increase in investment losses reported in the Sanitary Operation Fund of approximately \$42.6 million in fiscal year 2022 compared to reporting investment earnings of \$3.3 million in fiscal year 2021 due to the increasing interest rates across the economy.

The following condensed financial information was derived from the government-wide statement of activities and reflects how the County's net position changed during the fiscal year:

Table A-2
Changes in Jefferson County Commission's Net Position
(In thousands of dollars)

	Governmental Activities				Business-Type Activities				Total			
	2022	2021	Change	Total Percentage Change	2022	2021	Change	Total Percentage Change	2022	2021	Change	Total Percentage Change
	Revenues											
Program Revenues:												
Charges for Services	\$ 65,675	\$ 53,414	\$ 12,261	23%	\$ 260,622	\$ 237,989	\$ 22,633	10%	\$ 326,297	\$ 291,403	\$ 34,894	12%
Operating Grants and Contributions	60,054	74,099	(14,045)	-19%	-	-	-	0%	60,054	74,099	(14,045)	-19%
Capital Grants and Contributions	4,388	4,732	(344)	-7%	6,287	6,826	(539)	-8%	10,675	11,558	(883)	-8%
General revenues:												
Property Taxes	130,600	129,152	1,448	1%	7,571	7,567	4	0%	138,171	136,719	1,452	1%
Sales Taxes	287,104	260,694	26,410	10%	-	-	-	-	287,104	260,694	26,410	10%
Other Taxes	11,529	11,591	(62)	-1%	-	-	-	-	11,529	11,591	(62)	-1%
Unrestricted Investment Earnings	2,014	458	1,556	340%	(42,253)	3,303	(45,556)	-1379%	(40,239)	3,761	(44,000)	-1170%
Miscellaneous	3,717	9,695	(5,978)	-62%	1,298	675	623	92%	5,015	10,370	(5,355)	-52%
Gain on Sale of Capital Assets	-	1,768	(1,768)	-100%	193	345	(152)	100%	193	2,113	(1,920)	-91%
Total Revenues	565,081	545,603	19,478	4%	233,718	256,705	(22,987)	-9%	798,799	802,308	(3,509)	0%
Expenses												
General Government	169,336	156,361	12,975	8%	-	-	-	-	169,336	156,361	12,975	8%
Public Safety	99,434	88,795	10,639	12%	-	-	-	-	99,434	88,795	10,639	12%
Law Library Operations	180	268	(88)	100%	-	-	-	-	180	268	(88)	100%
Highways and Roads	48,824	40,503	8,321	21%	-	-	-	-	48,824	40,503	8,321	21%
Health and Welfare	85,329	110,993	(25,664)	-23%	-	-	-	-	85,329	110,993	(25,664)	-23%
Community Development	10,864	13,529	(2,665)	-20%	-	-	-	-	10,864	13,529	(2,665)	-20%
Interest and Fiscal Charges	13,832	13,646	186	1%	-	-	-	-	13,832	13,646	186	1%
Hallmark Farms Cooperative	-	-	-	-	516	672	(156)	100%	516	672	(156)	-23%
Economic and Industrial Development	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Operations	-	-	-	-	4,114	2,750	1,364	50%	4,114	2,750	1,364	50%
Sanitary Operations	-	-	-	-	386,973	380,446	6,527	2%	386,973	380,446	6,527	2%
Total Expenses	427,799	424,095	3,704	1%	391,603	383,868	7,735	2%	819,402	807,963	11,439	1%
Increase (decrease) in net position before transfers	137,282	121,508	15,774	13%	(157,885)	(127,163)	(30,722)	24%	(20,603)	(5,655)	(14,948)	264%
Transfers:	(1,218)	(1,204)	(14)	1%	1,218	1,204	14	1%	-	-	-	0%
Change in Net Position	136,064	120,304	15,760	13%	(156,667)	(125,959)	(30,708)	24%	(20,603)	(5,655)	(14,948)	264%
Net Position - Beginning	278,673	163,285	115,388		274,147	400,106	(125,959)		552,820	563,391	(10,571)	
Restatement (Note 15)	-	(4,916)	4,916		-	-	-		-	(4,916)	4,916	
Net Position - ending	\$ 414,737	\$ 278,673	\$ 136,064	49%	\$ 117,480	\$ 274,147	\$ (156,667)	-57%	\$ 532,217	\$ 552,820	\$ (20,603)	-4%

Financial Analysis of Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County Commission.

As of September 30, 2022, the County's governmental funds reported combined fund balances of \$493.4 million, an increase of approximately \$143.5 million in comparison with the prior fiscal year. Of this amount, \$203 million constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned.

Assigned fund balance represents the intentional constraints placed on resources within fund balance either by the governing board or appointees. The County present assigned fund balance for Uncertainty Reserve (\$20.1 million), Catastrophic Reserve (\$20.1 million), and Economic Development (\$32.3 million), and Budget Reserve (\$20 million).

The following is an analysis of significant balances and transactions of individual major governmental funds:

- The General Fund is the County's primary operating fund and accounts for the majority of the County's expenditures for general government administration. Tax revenues served as the largest own source revenue to support the operations of the County. Property and Sales taxes combined increased from approximately \$126 million in fiscal year 2021 to \$134 million during fiscal year 2022, primarily due to the COVID pandemic forcing shoppers to turn to online retail sales, and consumer price increase (inflation). The other substantial increase was due to revaluation of property taxes.
- The County's Special Sales Tax Revenue fund accounts for the special revenue sales tax collected and used for the payment of the County's principal and interest on certain governmental bonds. Sales tax collections (revenue) increased to \$134.6 million in fiscal year 2022 from \$122.8 million in fiscal year 2021, primarily due to the rebounding of the Special Sales Tax due to COVID restrictions being lifted.
- The Indigent Care Fund accounts for the receipt of alcohol beverage and sales taxes designated for indigent residents of the County. Tax revenues increased from approximately \$63.5 million in fiscal year 2021 to \$69.9 million in fiscal year 2022, primarily due to significant increases in alcohol beverage sales.
- The American Rescue Plan Fund, or ARPA, Fund is a major fund that accounts for the financial resources provided to the County by the U.S. Department of the Treasury. Under the American Rescue Plan Act, the County recognized \$14.5 million in revenues and \$14 million in expenditures for the current fiscal year for projects approved by the Commission. The infusion of federal funding for COVID relief received by the County during fiscal years 2022 and prior is recorded in this fund, with fund balance resulting from interest income being restricted for grant programs. Current appropriations of funds are allocated by the County Commission based on a priority list and include projects for roads, food distribution, tourism, and housing assistance.

Financial Analysis of the County's Sanitary Operation Fund

Net position of the Sanitary Operation Fund decreased by approximately \$155 million, from \$279 million in the prior fiscal year to \$124 million at September 30, 2022. This change is principally associated with the increase in accreted interest expense reflected in the Sanitary Operation Fund's unrestricted net position classification. The County is currently evaluating a refinancing of its Series 2013 Sewer Revenue Warrants through which the County's Capital Appreciation Warrants and Convertible Capital Appreciation Warrants would likely be refinanced with current interest warrants.

Sewer sales revenue increased by 9.4% from \$222.7 million in the prior fiscal year to \$243.6 million in fiscal year 2022. This is attributed to the expected rate increase of 3.49% annually, along with an increase in nonresidential consumption as commercial activities resume post-pandemic with COVID-19 restrictions being lifted. The increase in operating revenues and a slight increase in operating expenses of less than 1% led to an overall operating income of approximately \$21.4 million in fiscal year 2022 compared to \$7.5 million in fiscal year 2021.

General Fund Budgetary Highlights

On September 16, 2021, the County Commission approved the fiscal year 2022 Operating Budget for the County, including estimated revenues of approximately \$185 million and operating appropriations of \$231 million for the County's General Fund. The County's revenues in the General Fund were higher than its final, amended budget by \$21 million during 2022 primarily due to the Simplified Sellers Tax, regular sales tax, and Special Sales Tax. The Simplified Sellers Tax is a tax for online purchases which increased significantly during the global pandemic and continues to grow. The Special Sales Tax increased due to progress made in the fight against COVID-19 and citizens resuming their shopping activities. Ad Valorem Tax showed modest growth.

Throughout the fiscal year, the County Commission's original budget is amended to reflect changes in funding needs. The County Commission has established policies and procedures for such amendments. The Budgetary Comparison Schedule for the General Fund can be found on pages 94 through 97.

General Fund Revenue and Expenditure Budget Variances

The most significant budget amendments affecting revenues are summarized as follows:

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u> <u>Final</u> <u>Budget</u>
Revenue Source				
Sales taxes	\$61,802,115	\$61,802,115	\$71,225,128	\$9,423,013
License and permits	11,499,563	11,499,563	16,138,200	4,638,637
Intergovernmental	5,391,751	5,750,461	9,526,129	3,775,668
Charges for services	40,624,077	40,624,077	43,865,313	3,241,236

The County conservatively budgeted that estimated sales taxes would grow by 2.5% which is in line with historical growth trends. However, the County's actual growth for fiscal year 2022 was a 9% increase over the prior year. The significant increase can be attributable to numerous factors including hosting the World Games, the opening of Protective Stadium while hosting the USFL Football League, results from other economic development projects, and the higher-than-usual rate of inflation experienced in fiscal year 2022. Licenses and permits exceeded the original budget amount due to increased construction in unincorporated Jefferson County. One of the largest construction projects that began in November 2021 was the construction of Medical West Hospital Authority, an affiliate of UAB Health System. There was also an increase in state and federal grants that accounts for the increase in intergovernmental revenue of approximately \$4.1 million over the original budget. Actual revenue for charges for services was approximately \$3.2 million more than the original budget due to an unexpected increase in the financial excise tax that was received from the state.

The most significant budget amendments affecting expenditures are summarized as follows:

General Government

- The final budget for Commission Support grant expenditures was increased by approximately \$10.6 million to create a grant program to improve the quality of life for the citizens in collaboration with approved community partners that include non-profits, municipalities, school districts, etc.
- The operating cost for the county attorney's office exceeded the approved budget by approximately \$0.5 million due to an increase in consulting and attorney costs related to the sewer refinancing activities.
- The Fleet Management departmental original budget was increased due to an anticipated increase in fuel costs as well as a delay in the completion of vehicle maintenance due to supply chain challenges.

Public safety

- The Sheriff's department personnel cost budget exceeded the final budget amount by approximately \$3.3 million due to increased overtime that was attributable to the hosting of the World Games.

Capital Assets and Debt Administration

As of September 30, 2022, the County had invested approximately \$2.3 billion, net of accumulated depreciation, in a broad range of capital assets (see table below). This investment was comparable to the approximately \$2.4 billion reported as of September 30, 2021.

Table A-3

Capital Assets

(net of depreciation in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>2022 Versus 2021</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Percent Change</u>
Land	\$ 26,059	\$ 22,232	\$ 35,553	\$ 35,553	\$ 61,612	\$ 57,785	3,827	7%
Construction in Progress	88,873	69,687	91,958	79,298	180,831	148,985	31,846	21%
Buildings and Improvements	231,639	245,568	474,349	496,929	705,988	742,497	(36,509)	-5%
Equipment and Vehicles	32,379	33,327	12,773	13,502	45,152	46,829	(1,677)	-4%
Furniture and Fixtures	873	844	-	-	873	844	29	3%
Software	171	857	-	-	171	857	(686)	-80%
Right-to-use Leased Assets	2,990	-	-	-	2,990	-	2,990	0%
Infrastructure and Other Improvements	-	-	1,282,844	1,354,106	1,282,844	1,354,106	(71,262)	-5%
	<u>\$ 382,984</u>	<u>\$ 372,515</u>	<u>\$ 1,897,477</u>	<u>\$ 1,979,388</u>	<u>\$ 2,280,461</u>	<u>\$ 2,351,903</u>	<u>\$ (71,442)</u>	<u>-3%</u>
Depreciable assets, net	\$ 268,052	\$ 280,596	\$ 1,769,966	\$ 1,864,537	\$ 2,038,018	\$ 2,145,133	(107,115)	-5%
Nondepreciable assets	114,932	91,919	127,511	114,851	242,443	206,770	35,673	17%
Total	<u>\$ 382,984</u>	<u>\$ 372,515</u>	<u>\$ 1,897,477</u>	<u>\$ 1,979,388</u>	<u>\$ 2,280,461</u>	<u>\$ 2,351,903</u>	<u>\$ (71,442)</u>	<u>-3%</u>

Governmental Activities

Governmental activities capital assets as of September 30, 2022 were approximately \$383 million, which was an overall increase from the \$372.5 million as of September 30, 2021. The increase is largely associated with increases in construction in progress of approximately \$19.2 million during the fiscal year. Along with a net disposal of approximately \$2.1 million, approximately \$11.5 million in assets (other than construction in progress) were purchased during the fiscal year with approximately \$3.4 million in donated assets, largely associated with miscellaneous equipment and the motor vehicle fleet.

Major capital assets acquired, projects completed or in progress during the fiscal year ended September 30, 2022, included the following:

- \$19.2 million in additional construction in progress largely for road construction.
- Approximately \$2 million in miscellaneous equipment purchases for Public Safety.
- Approximately \$2.8 million in vehicle purchases for Roads and Transportation, Public Safety and General Governmental Activities.

Business-Type Activities

Business-type activities capital assets as of September 30, 2022, were approximately \$1.9 billion, a decrease of \$81.9 million over the prior fiscal year. This decrease is associated with increased accumulated depreciation for infrastructure totaling approximately \$119.4 million as well as building depreciation totaling approximately \$22.6 million. Capital purchases (excluding construction in progress) amounted to approximately \$14.6 million, and approximately \$36.4 million in sanitation construction projects were completed and transferred to depreciable asset categories.

Major capital assets acquired, projects completed or in progress during the fiscal year ended September 30, 2022, included the following:

- Approximately \$49 million in additional construction in progress projects involving improvements to the County's sanitation infrastructure.
- Approximately \$6.3 million in donated infrastructure for sanitary operations.
- Purchases of construction equipment, regular equipment, and vehicles totaled approximately \$2.9 million for the fiscal year.

For additional details on Capital Assets see Note 5, page 61.

Long-Term Debt

As of September 30, 2022, the County had total bonded debt of approximately \$2.7 billion, largely associated with revenue warrants in business-type activities reported at \$2.2 billion. The County issued its Limited Obligation Warrant, Series 2022, to the Alabama Transportation Infrastructure Bank to evidence a loan in the amount of \$66,335,000. The proceeds of the loan will be used to pay costs of road and bridge improvements within the County.

Long-Term Debt Activities

The County's total bonded debt as of September 30, 2022, was approximately \$2.7 billion, an approximately \$107.9 million increase from the September 30, 2021 total of approximately \$2.6 billion.

Total primary government long-term obligations, including amounts due within one fiscal year, were approximately \$2.9 billion as of September 30, 2022, an increase of approximately \$111.4 million from September 30, 2021. A summary of the most significant sources of the County's debt are shown in Table A-4:

Table A-4
Long-Term Debt
(In thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>2022 Versus 2021</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Percent Change</u>
General Obligation Warrants (backed by the County)	\$ 67,939	\$ 87,766	\$ -	\$ -	\$ 67,939	\$ 87,766	\$ (19,827)	-23%
Limited Obligation Warrants (backed by sales tax)	383,385	328,080	-	-	383,385	328,080	55,305	17%
Revenue Warrants (backed by Sewer fees)	-	-	2,230,563	2,161,385	2,230,563	2,161,385	69,178	3%
BJCC Bonds (backed by the County)	16,428	16,793	-	-	16,428	16,793	(365)	-2%
Hallmark Bonds (backed by the County)	-	-	11,953	12,792	11,953	12,792	(839)	-7%
	<u>\$ 467,752</u>	<u>\$ 432,639</u>	<u>\$ 2,242,516</u>	<u>\$ 2,174,177</u>	<u>\$ 2,710,268</u>	<u>\$ 2,606,816</u>	<u>\$ 103,452</u>	<u>-11%</u>

Accreted interest grew by approximately \$77 million, resulting in the increased long-term debt for the fiscal year.

For additional details on Long-Term Debt see Note 8, page 67.

The County's credit ratings on its bonded debt as of September 30, 2022, were:

General Obligation Warrants:

Moody's Investors Service, Inc.	A3/Stable
S&P Global Ratings	AA-/Stable
Fitch Ratings	AA-/Stable

Limited Obligation Warrants:

S&P Global Ratings	AA/Stable
Fitch Ratings	AA-/Stable

Sewer Warrants:

Senior:

S&P Global Ratings	BBB+/Stable
Fitch Ratings	BB+/Stable

Subordinate:

S&P Global Ratings	BBB/Stable
Fitch Ratings	BB/Stable

The County's credit ratings were above investment grade, primarily due to strength in the economic base relative to peers. An impact of the County's credit ratings above investment grade status comes in the form of lower borrowing costs.

Economic Factors and Next Year's Budget and Rates

The area's economy was originally based on steel production but has diversified over the past several decades as healthcare, banking and professional services emerged to become leading industries in the metro area. Heavy industry continues to be an important component of the local economy. Automotive manufacturing has become prominent in the greater metro area, as several auto assembly plants and related suppliers have established manufacturing facilities in North and Central Alabama in the last two decades. The County Commission has maintained its commitment to improve economic conditions throughout the County. The County Commission partnered with the State of Alabama and the City of Birmingham to attract Landing to locate its headquarters in downtown Birmingham, bringing with it 816 full-time jobs. The County has been able to bounce back from the pandemic as its unemployment rate has fallen to pre-pandemic levels. This is due to resilient consumer behavior and a diversified economy including healthcare, finance, telecommunications, and education. Part of the County's economic strength results from being less dependent on tourism and hospitality industries than some other areas throughout the State.

The University of Alabama Birmingham (UAB) is the County's primary driver of economic activity in the healthcare sector by being an internationally renowned research hospital, a first choice for education and healthcare. In 2020, the UAB Hospital, a 1,157-bed primary and tertiary care medical facility, was ranked eighth among the nation's top 50 hospitals by U.S. News and World Report's "Best Hospitals" special edition issue, and six of the specialties offered at UAB hospital were among the top 25. The UAB Hospital is the flagship facility of the UAB Health System and is the primary teaching hospital for the University of Alabama School of Medicine. During this same time span, UAB recorded research awards totaling \$638 million, marking the most successful five-year period of research funding, an increase of \$190 million (42 percent) from 2015 to 2020. It was

determined that one in four Birmingham residents are UAB employees (23,791 as of Fall 2019), students (23,517 as of Fall 2019), or patients (50,579 discharges in 2020). Other healthcare services that contribute to economic impact that are headquartered in Birmingham are St. Vincent's Health System, Children's Health System, and Brookwood Baptist Health.

Banking and finance also contribute significantly to the region's economic base. Birmingham is the Southeast's largest banking center outside Charlotte, North Carolina, and is headquarters to one of the nation's top fifty largest banks, Regions Financial Corporation. With banking subsidiaries operating as "Regions Bank" in 16 states in the Southern and Midwestern United States, Regions Bank operates 1,454 branches and 1,952 automated teller machines producing \$4 billion in revenue in 2021. The purchase of BBVA Compass, previously headquartered in Birmingham, and the U.S. subsidiary of Banco Bilbao Vizcaya Argentaria, S.A., Spain's second largest bank, was finalized by PNC Financial Services in 2021.

Mercedes-Benz, Honda, and Hyundai have major automobile assembly facilities within an eighty-five-mile radius of the County. These three facilities were joined by a new Toyota/Mazda plant in Huntsville, Alabama making another \$830 million investment in Alabama to incorporate new cutting-edge manufacturing technology within the same radius. This new industry has created up to 4,000 new jobs for Alabama. The region's economy has benefited from its proximity to these major manufacturing facilities, as several automotive suppliers have established businesses in the area.

With the increases in economic development in the greater Jefferson County community, Alabama Power, being a subsidiary of Southern Company, is the principal taxpayer for the County reporting an assessed value of \$763,124,500, 6.67 % of total property taxes for the County. Being the supplier of electric power in the County and serving 1.3 million homes, businesses, and industries over the southern two-thirds of Alabama provides an economic foundation for continued development in the County.

The County maintains a conservative approach to revenue estimates in order to avoid the negative consequences that arise when anticipated revenue collections fail to materialize. County revenues are affected by a variety of factors such as population growth, unemployment, inflation, and increases or decreases in real disposable income. The Budget Management Office uses trend analysis to forecast its revenues for upcoming years. Revenue forecasts for fiscal year 2023 reflect a slight increase in property tax revenue, increases in the general sales tax, a significant increase in the Simplified Sellers Tax and a major increase in Special Sales Tax revenue.

Contacting The Commission's Financial Management

The financial report is designed to provide the County's citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Office of the Chief Financial Officer, 716 Richard Arrington, Jr. Boulevard North, Suite 810, Birmingham, Alabama 35203.

JEFFERSON COUNTY, ALABAMA

STATEMENT OF NET POSITION SEPTEMBER 30, 2022

ASSETS	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Personnel Board	Emergency Management Agency	Jefferson County Economic and Industrial Development Authority
Cash and cash equivalents	\$ 515,174,995	\$ 14,733,831	\$ 529,908,826	\$ 370,511	\$ 797,252	\$ 2,685,359
Investments	52,893,152	-	52,893,152	-	-	1,730,447
Receivables (net of allowance for uncollectibles)	13,684,794	35,988,360	49,673,154	6,384,522	178,451	-
Taxes receivable	197,211,521	6,957,753	204,169,274	-	-	-
Intergovernmental receivables	2,695,263	2,984,587	5,679,850	-	-	-
Lease receivables	2,090,192	10,025,515	12,115,707	-	-	-
Interest receivable	262,614	-	262,614	-	-	-
Prepaid items	278,637	-	278,637	-	-	-
Internal balances	2,871,682	(2,871,682)	-	-	-	-
Other assets	-	-	-	-	-	4,433
Restricted assets:						
Restricted cash and cash equivalents	6,124,077	120,392,783	126,516,860	-	-	1,831
Investments	5,947,407	346,325,588	352,272,995	-	-	-
Prepaid bond insurance costs, net	-	28,208,644	28,208,644	-	-	-
Loan receivable from component unit	28,819,142	-	28,819,142	-	-	-
Loan receivables, net	7,464,708	-	7,464,708	-	-	-
Net pension asset	219,238,559	45,864,263	265,102,822	10,773,178	-	-
Land held for resale	-	-	-	-	-	16,939,553
Capital assets, nondepreciable	114,932,891	127,510,899	242,443,790	-	-	-
Capital assets, depreciable, net of accumulated depreciation	268,051,525	1,769,965,973	2,038,017,498	55,090	151,053	-
Total assets	1,437,741,159	2,506,086,514	3,943,827,673	17,583,301	1,126,756	21,361,623
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	-	46,333	46,333	-	-	-
Pension related items	39,118,888	8,183,593	47,302,481	1,922,265	-	-
OPEB related items	11,336,780	3,609,173	14,945,953	246,954	7,707	-
Total deferred outflows of resources	50,455,668	11,839,099	62,294,767	2,169,219	7,707	-
LIABILITIES						
Accounts payable	36,048,313	17,240,739	53,289,052	6,453,380	20,489	11,027
Retainage payable	681,108	2,518,442	3,199,550	-	-	-
Accrued interest	3,179,502	35,056,188	38,235,690	-	-	81,693
Due to other governments	34,788,045	-	34,788,045	-	-	-
Accrued payroll	5,968,947	597,978	6,566,925	195,638	22,713	-
Unearned revenue	116,445,977	7,283,562	123,729,539	-	-	-
Noncurrent liabilities due within one fiscal year						
Compensated absences payable	13,463,316	1,902,793	15,366,109	185,275	39,800	-
Lease liabilities	484,212	-	484,212	-	-	-
Claims payable	1,483,074	435,500	1,918,574	-	5,773	-
Financed purchases payable	1,925,766	-	1,925,766	-	-	-
Warrants payable	33,655,000	10,980,000	44,635,000	-	-	-
Bonds payable	379,313	863,802	1,243,115	-	-	-
Noncurrent liabilities due in more than one fiscal year						
Compensated absences payable	8,505,837	2,339,012	10,844,849	989,043	41,530	-
Lease liabilities	2,571,955	-	2,571,955	-	-	-
Loans payable to primary government	-	-	-	-	-	28,819,142
Financed purchases payable	3,613,645	-	3,613,645	-	-	-
Claims payable	5,217,389	1,539,759	6,757,148	-	20,410	-
Litigation liability	5,695,397	4,047,000	9,742,397	-	-	-
Total OPEB liability	89,253,593	28,414,741	117,668,334	1,944,248	60,679	-
Landfill closure and postclosure	-	19,394,310	19,394,310	-	-	-
Warrants payable	417,669,199	2,219,583,177	2,637,252,376	-	-	-
Bonds payable	16,048,485	11,089,448	27,137,933	-	-	-
Total liabilities	797,078,073	2,363,286,451	3,160,364,524	9,767,584	211,394	28,911,862
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues - property taxes	146,062,352	-	146,062,352	-	-	-
Lease arrangements	2,083,357	9,911,061	11,994,418	-	-	-
Deferred gain on refunding	4,904,257	-	4,904,257	-	-	-
Pension related items	110,069,080	23,026,229	133,095,309	5,408,691	-	-
OPEB related items	13,262,743	4,222,322	17,485,065	288,908	9,017	-
Total deferred inflows of resources	276,381,789	37,159,612	313,541,401	5,697,599	9,017	-
NET POSITION						
Net investment in capital assets	(19,808,792)	164,382,613	144,573,821	55,090	151,053	-
Restricted for:						
Grant programs	9,410,534	-	9,410,534	-	-	-
Tax assessor operations	1,778,930	-	1,778,930	-	-	-
Public works	15,173,668	-	15,173,668	-	-	-
Public safety	6,042,335	-	6,042,335	-	-	-
Law library operations	985,977	-	985,977	-	-	-
Equalization operations	868,341	-	868,341	-	-	-
Community development	3,259,456	-	3,259,456	-	-	-
Health and welfare	11,125,536	-	11,125,536	-	-	-
Debt service	8,349,018	-	8,349,018	-	-	-
Capital improvements and debt service	-	466,193,306	466,193,306	-	-	-
Landfill assurance	6,786,866	-	6,786,866	-	-	-
Unsecured claims	5,306,897	-	5,306,897	-	-	-
Unrestricted	365,458,199	(513,096,369)	(147,638,170)	4,232,247	762,999	(7,550,239)
Total net position	\$ 414,736,965	\$ 117,479,550	\$ 532,216,515	\$ 4,287,337	\$ 914,052	\$ (7,550,239)

The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY, ALABAMA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 169,335,585	\$ 59,121,493	\$ 12,733,518	\$ 4,357,238
Public safety	99,433,649	1,647,678	4,649,799	30,325
Law library operations	180,259	275,846	-	-
Highway and roads	48,823,561	4,629,633	333,462	-
Health and welfare	85,328,982	-	31,051,025	-
Community development	10,864,412	-	11,286,830	-
Interest and fiscal charges	13,832,455	-	-	-
Total governmental activities	<u>427,798,903</u>	<u>65,674,650</u>	<u>60,054,634</u>	<u>4,387,563</u>
Business-type activities:				
Sanitary operations	386,972,645	259,238,193	-	6,287,004
Landfill operations	4,114,383	1,384,037	-	-
Hallmark Farms	516,451	-	-	-
Total business-type activities	<u>391,603,479</u>	<u>260,622,230</u>	<u>-</u>	<u>6,287,004</u>
Total primary government	<u>\$ 819,402,382</u>	<u>\$ 326,296,880</u>	<u>\$ 60,054,634</u>	<u>\$ 10,674,567</u>
Component units:				
Personnel Board	\$ 7,929,015	\$ 9,181,048	\$ -	\$ -
Emergency Management Board	1,662,179	892,799	232,018	-
Jefferson County Economic and Industrial Development Authority	4,028,845	45,379	-	-
Total component units	<u>\$ 13,620,039</u>	<u>\$ 10,119,226</u>	<u>\$ 232,018</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales and use taxes				
Other taxes				
Unrestricted investment earnings (losses)				
Miscellaneous				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of fiscal year, as restated				
Net position, end of fiscal year				

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Personnel Board	Emergency Management Agency	Jefferson County Economic and Industrial Development Authority
\$ (93,123,336)	\$ -	\$ (93,123,336)	\$ -	\$ -	\$ -
(93,105,847)	-	(93,105,847)	-	-	-
95,587	-	95,587	-	-	-
(43,860,466)	-	(43,860,466)	-	-	-
(54,277,957)	-	(54,277,957)	-	-	-
422,418	-	422,418	-	-	-
(13,832,455)	-	(13,832,455)	-	-	-
<u>(297,682,056)</u>	<u>-</u>	<u>(297,682,056)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(121,447,448)	(121,447,448)	-	-	-
-	(2,730,346)	(2,730,346)	-	-	-
-	(516,451)	(516,451)	-	-	-
-	(124,694,245)	(124,694,245)	-	-	-
<u>\$ (297,682,056)</u>	<u>\$ (124,694,245)</u>	<u>\$ (422,376,301)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 1,252,033	\$ -	\$ -
-	-	-	-	(537,362)	-
-	-	-	-	-	(3,983,466)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,252,033</u>	<u>\$ (537,362)</u>	<u>\$ (3,983,466)</u>
\$ 130,599,721	\$ 7,571,089	\$ 138,170,810	\$ -	\$ -	\$ -
287,104,082	-	287,104,082	-	-	-
11,529,098	-	11,529,098	-	-	-
2,013,921	(42,253,112)	(40,239,191)	-	1,108	(201,553)
3,717,380	1,298,064	5,015,444	1,013	358,410	(6,000)
-	193,326	193,326	-	-	-
(1,217,983)	1,217,983	-	-	-	-
<u>433,746,219</u>	<u>(31,972,650)</u>	<u>401,773,569</u>	<u>1,013</u>	<u>359,518</u>	<u>(207,553)</u>
136,064,163	(156,666,895)	(20,602,732)	1,253,046	(177,844)	(4,191,019)
278,672,802	274,146,445	552,819,247	3,034,291	1,091,896	(3,359,220)
<u>\$ 414,736,965</u>	<u>\$ 117,479,550</u>	<u>\$ 532,216,515</u>	<u>\$ 4,287,337</u>	<u>\$ 914,052</u>	<u>\$ (7,550,239)</u>

JEFFERSON COUNTY, ALABAMA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

ASSETS	Nonmajor Governmental Funds					Total
	General	Special Sales Tax Revenue	Indigent Care	American Rescue Plan	Nonmajor Governmental Funds	
Cash and cash equivalents	\$ 178,479,327	\$ 57,105,402	\$ 10,625,537	\$ 118,502,448	\$ 150,462,281	\$ 515,174,995
Investments	52,893,152	-	-	-	-	52,893,152
Accounts receivable, net	8,895,584	-	-	1,971,094	2,818,116	13,684,794
Taxes receivable	86,454,024	22,673,141	11,743,216	-	76,341,140	197,211,521
Intergovernmental receivables	2,695,263	-	-	-	-	2,695,263
Leases receivable	2,090,192	-	-	-	-	2,090,192
Interest receivable	262,614	-	-	-	-	262,614
Advances to other funds	-	-	-	-	2,871,682	2,871,682
Due from other funds	53,790,812	-	-	-	11,438,919	65,229,731
Prepaid items	278,637	-	-	-	-	278,637
Restricted assets:						
Cash	6,124,077	-	-	-	-	6,124,077
Investments	5,947,407	-	-	-	-	5,947,407
Loan receivable from component unit	28,819,142	-	-	-	-	28,819,142
Loan receivables, net	-	-	-	-	7,464,708	7,464,708
Total assets	\$ 426,730,231	\$ 79,778,543	\$ 22,368,753	\$ 120,473,542	\$ 251,396,846	\$ 900,747,915
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 5,157,627	\$ 3,600,000	\$ 11,243,217	\$ 6,230,696	\$ 9,816,773	\$ 36,048,313
Retainage payable	20,028	-	-	-	661,080	681,108
Due to other funds	-	58,178,543	-	-	7,051,188	65,229,731
Due to other governments	8,060,570	18,000,000	-	-	8,727,475	34,788,045
Accrued payroll and benefits	5,439,937	-	-	-	529,010	5,968,947
Unearned grant revenue - intergovernmental	-	-	-	113,710,102	2,735,875	116,445,977
Total liabilities	18,678,162	79,778,543	11,243,217	119,940,798	29,521,401	259,162,121
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - property taxes	69,094,296	-	-	-	76,968,056	146,062,352
Lease arrangements	2,083,357	-	-	-	-	2,083,357
Total deferred inflows of resources	71,177,653	-	-	-	76,968,056	148,145,709
FUND BALANCES						
Fund balances:						
Nonspendable:						
Leases	6,835	-	-	-	-	6,835
Prepaid items	278,637	-	-	-	-	278,637
Loan receivable from component unit	28,819,142	-	-	-	-	28,819,142
Restricted:						
Grant programs	-	-	-	532,744	8,877,790	9,410,534
Tax assessor operations	-	-	-	-	1,778,930	1,778,930
Public works	-	-	-	-	15,173,668	15,173,668
Public safety	-	-	-	-	6,042,335	6,042,335
Law library operations	-	-	-	-	985,977	985,977
Equalization operations	-	-	-	-	868,341	868,341
Community development	-	-	-	-	3,259,456	3,259,456
Health and welfare	-	-	11,125,536	-	-	11,125,536
Debt service	-	-	-	-	11,528,520	11,528,520
Landfill assurance	6,786,866	-	-	-	-	6,786,866
Unsecured claims	5,306,897	-	-	-	-	5,306,897
Assigned:						
Capital projects	-	-	-	-	96,392,372	96,392,372
Budget reserve	20,037,696	-	-	-	-	20,037,696
Uncertainty reserve	20,112,020	-	-	-	-	20,112,020
Catastrophic reserve	20,069,070	-	-	-	-	20,069,070
Economic development	32,388,771	-	-	-	-	32,388,771
Unassigned	203,068,482	-	-	-	-	203,068,482
Total fund balances	336,874,416	-	11,125,536	532,744	144,907,389	493,440,085
Total liabilities, deferred inflows of resources and fund balances	\$ 426,730,231	\$ 79,778,543	\$ 22,368,753	\$ 120,473,542	\$ 251,396,846	\$ 900,747,915

The accompanying notes are an integral part of these financial statements.

**JEFFERSON COUNTY, ALABAMA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF
NET POSITION
SEPTEMBER 30, 2022**

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	\$	493,440,085
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Cost	\$	952,400,650	
Less accumulated depreciation		(569,416,234)	382,984,416

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Warrants payable	\$	(416,805,000)	
Bonds payable		(16,427,798)	
Unamortized premiums and discounts		(34,519,199)	
Deferred gain on refunding		(4,904,257)	
Financed purchases payable		(5,539,411)	
Lease liabilities		(3,056,167)	
Compensated absences payable		(21,969,153)	
Liability claims payable		(6,700,463)	
Accrued interest		(3,179,502)	
Litigation liability		(5,695,397)	(518,796,347)

The net pension asset, deferred inflows of resources, and deferred outflows of resources related to the County's defined benefit pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.

Net pension asset	\$	219,238,559	
Deferred inflows of resources - pension items		(110,069,080)	
Deferred outflows of resources - pension items		39,118,888	148,288,367

The total OPEB liability and related deferred outflows and deferred inflows of resources are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.

Total OPEB liability	\$	(89,253,593)	
Deferred inflows of resources - OPEB items		(13,262,743)	
Deferred outflows of resources - OPEB items		11,336,780	(91,179,556)

Net position - governmental activities	\$		414,736,965
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The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY, ALABAMA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	General	Special Sales Tax Revenue	Indigent Care	American Rescue Plan	Nonmajor Governmental Funds	Total
Revenues:						
Taxes	\$ 134,237,100	\$ 134,635,109	\$ 69,926,457	\$ -	\$ 90,434,234	\$ 429,232,900
Licenses and permits	16,138,200	-	-	-	827,443	16,965,643
Fines and forfeitures	-	-	-	-	1,034,356	1,034,356
Intergovernmental	9,526,129	-	-	14,057,034	38,339,999	61,923,162
Charges for services	43,865,313	-	-	-	3,809,338	47,674,651
Contributions and donations	-	-	-	-	3,396,961	3,396,961
Interest income (loss)	362,306	163,016	471,869	528,054	488,676	2,013,921
Miscellaneous	2,508,196	-	-	-	1,209,184	3,717,380
Total revenues	<u>206,637,244</u>	<u>134,798,125</u>	<u>70,398,326</u>	<u>14,585,088</u>	<u>139,540,191</u>	<u>565,958,974</u>
Expenditures:						
Current:						
General government	126,322,984	24,100,000	-	12,312,492	16,758,527	179,494,003
Public safety	91,723,031	-	-	-	5,531,420	97,254,451
Law library operations	-	-	-	-	180,259	180,259
Highway and roads	-	-	-	-	38,535,907	38,535,907
Health and welfare	929,546	-	68,111,127	-	16,993,991	86,034,664
Community development	-	-	-	-	10,864,412	10,864,412
Capital outlay:						
General government	-	-	-	-	3,761,462	3,761,462
Public safety	-	-	-	1,744,542	2,226,621	3,971,163
Highway and roads	-	-	-	-	19,172,428	19,172,428
Debt service:						
Principal	711,085	-	-	-	32,341,320	33,052,405
Interest	730,464	-	-	-	18,675,791	19,406,255
Issuance costs	-	-	-	-	1,286,267	1,286,267
Total expenditures	<u>220,417,110</u>	<u>24,100,000</u>	<u>68,111,127</u>	<u>14,057,034</u>	<u>166,328,405</u>	<u>493,013,676</u>
Excess (deficiency) of revenues over (under) expenditures	(13,779,866)	110,698,125	2,287,199	528,054	(26,788,214)	72,945,298
Other financing sources (uses):						
Sale of capital assets	384,456	-	-	-	604,821	989,277
Issuance of bonds	-	-	-	-	66,335,000	66,335,000
Premium on bonds	-	-	-	-	4,447,245	4,447,245
Transfers in	90,226,160	-	-	-	105,040,907	195,267,067
Transfers out	(26,707,606)	(110,698,125)	(4,291,466)	-	(54,787,853)	(196,485,050)
Total other financing sources (uses)	<u>63,903,010</u>	<u>(110,698,125)</u>	<u>(4,291,466)</u>	<u>-</u>	<u>121,640,120</u>	<u>70,553,539</u>
Net change in fund balances	50,123,144	-	(2,004,267)	528,054	94,851,906	143,498,837
Fund balances, beginning of fiscal year, as restated	<u>286,751,272</u>	<u>-</u>	<u>13,129,803</u>	<u>4,690</u>	<u>50,055,483</u>	<u>349,941,248</u>
Fund balances, end of fiscal year	<u>\$ 336,874,416</u>	<u>\$ -</u>	<u>\$ 11,125,536</u>	<u>\$ 532,744</u>	<u>\$ 144,907,389</u>	<u>\$ 493,440,085</u>

The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY, ALABAMA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	143,498,837
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 30,720,858	
Depreciation expense	<u>(25,062,200)</u>	5,658,658

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.

Net book value of capital assets disposed	\$ (2,094,196)	
Donations of capital assets	<u>3,372,075</u>	1,277,879

Payments received on long-term receivables are reported as revenues in the governmental funds. However, the statement of activities does not report revenue from payments on long-term receivables. This is the net effect of payments and adjustments to the carrying value of long-term loans receivable.

(8,106,264)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from bond issuance	\$ (66,335,000)	
Proceeds from bond issuance - premium	(4,447,245)	
Principal repayments on warrants payable	30,360,000	
Principal repayments on lease liabilities	476,866	
Principal repayments on bonds payable	365,300	
Principal repayments on financed purchases	<u>1,850,239</u>	(37,729,840)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	\$ (987,467)	
Change in OPEB expense	(1,749,115)	
Change in pension expense	27,684,389	
Change in litigation payable	132,500	
Change in claims payable	(475,481)	
Amortization	6,993,382	
Accrued interest	<u>(133,315)</u>	<u>31,464,893</u>

Change in net position - governmental activities	\$	<u>136,064,163</u>
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The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY, ALABAMA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

ASSETS	Sanitary Operation	Nonmajor Enterprise	Total
Current assets:			
Cash and cash equivalents	\$ 9,747,165	\$ 4,986,666	\$ 14,733,831
Receivables, net	35,702,989	285,371	35,988,360
Taxes receivable	6,957,753	-	6,957,753
Intergovernmental receivables	2,984,587	-	2,984,587
Leases receivables	-	10,025,515	10,025,515
Restricted assets:			
Cash	119,867,718	525,065	120,392,783
Investments	346,325,588	-	346,325,588
Total current assets	<u>521,585,800</u>	<u>15,822,617</u>	<u>537,408,417</u>
Noncurrent assets:			
Net pension asset	45,864,263	-	45,864,263
Prepaid bond insurance costs, net	28,208,644	-	28,208,644
Capital assets:			
Capital assets, not being depreciated	113,399,861	14,111,038	127,510,899
Capital assets, being depreciated	4,915,496,498	53,265,341	4,968,761,839
Less accumulated depreciation	(3,153,079,048)	(45,716,818)	(3,198,795,866)
Total capital assets, net of accumulated depreciation	<u>1,875,817,311</u>	<u>21,659,561</u>	<u>1,897,476,872</u>
Total noncurrent assets	<u>1,949,890,218</u>	<u>21,659,561</u>	<u>1,971,549,779</u>
Total assets	<u>2,471,476,018</u>	<u>37,482,178</u>	<u>2,508,958,196</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	8,183,593	-	8,183,593
OPEB related items	3,609,173	-	3,609,173
Deferred charges on refunding	-	46,333	46,333
Total deferred outflows of resources	<u>11,792,766</u>	<u>46,333</u>	<u>11,839,099</u>
LIABILITIES			
Current liabilities:			
Accounts payable	17,230,426	10,313	17,240,739
Accrued interest	34,964,600	91,588	35,056,188
Retainage payable	2,518,442	-	2,518,442
Accrued payroll	597,978	-	597,978
Unearned revenue	7,283,562	-	7,283,562
Claims payable	435,500	-	435,500
Compensated absences - current	1,902,793	-	1,902,793
Warrants payable - current	10,980,000	-	10,980,000
Bonds payable - current	-	863,802	863,802
Total current liabilities	<u>75,913,301</u>	<u>965,703</u>	<u>76,879,004</u>
Long-term liabilities:			
Litigation payable	4,047,000	-	4,047,000
Claims payable	1,539,759	-	1,539,759
Advances from other funds	-	2,871,682	2,871,682
Compensated absences	2,339,012	-	2,339,012
Landfill closure and postclosure	-	19,394,310	19,394,310
Warrants payable	2,219,583,177	-	2,219,583,177
Bonds payable	-	11,089,448	11,089,448
Total OPEB Liability	28,414,741	-	28,414,741
Total long-term liabilities	<u>2,255,923,689</u>	<u>33,355,440</u>	<u>2,289,279,129</u>
Total liabilities	<u>2,331,836,990</u>	<u>34,321,143</u>	<u>2,366,158,133</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	23,026,229	-	23,026,229
OPEB related items	4,222,322	-	4,222,322
Lease arrangements	-	9,911,061	9,911,061
Total deferred outflows of resources	<u>27,248,551</u>	<u>9,911,061</u>	<u>37,159,612</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	150,556,677	13,825,936	164,382,613
Restricted for capital improvements and debt service	466,193,306	-	466,193,306
Unrestricted (deficit)	(492,566,740)	(20,529,629)	(513,096,369)
Total net position (deficit)	<u>\$ 124,183,243</u>	<u>\$ (6,703,693)</u>	<u>\$ 117,479,550</u>

The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY, ALABAMA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Sanitary Operation	Nonmajor Enterprise	Total
OPERATING REVENUES			
Charges for services:			
Sewer sales	\$ 243,639,030	\$ -	\$ 243,639,030
Other	15,599,163	1,384,037	16,983,200
Total operating revenues	<u>259,238,193</u>	<u>1,384,037</u>	<u>260,622,230</u>
OPERATING EXPENSES			
Salaries and benefits	29,694,620	-	29,694,620
Maintenance and operating expenses	14,827,389	2,431,194	17,258,583
Office expenses	1,226,876	-	1,226,876
Materials and supplies	7,795,873	-	7,795,873
Utilities	10,465,353	-	10,465,353
Other operating expenses	30,138,530	-	30,138,530
Depreciation and amortization expense	143,716,325	1,822,557	145,538,882
Total operating expenses	<u>237,864,966</u>	<u>4,253,751</u>	<u>242,118,717</u>
Operating income (loss)	21,373,227	(2,869,714)	18,503,513
NONOPERATING REVENUE (EXPENSES)			
Property tax revenue	7,571,089	-	7,571,089
Investment earnings (losses)	(42,563,461)	310,349	(42,253,112)
Miscellaneous revenue	1,298,064	-	1,298,064
Gain on disposal of capital assets	193,326	-	193,326
Interest and amortization expense	(149,107,679)	(377,083)	(149,484,762)
Total nonoperating revenues (expenses)	<u>(182,608,661)</u>	<u>(66,734)</u>	<u>(182,675,395)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS			
	(161,235,434)	(2,936,448)	(164,171,882)
Capital contributions	6,287,004	-	6,287,004
Transfers in	-	1,217,983	1,217,983
Total capital contributions and transfers	<u>6,287,004</u>	<u>1,217,983</u>	<u>7,504,987</u>
Change in net position	(154,948,430)	(1,718,465)	(156,666,895)
NET POSITION, beginning of fiscal year	<u>279,131,673</u>	<u>(4,985,228)</u>	<u>274,146,445</u>
NET POSITION, end of fiscal year	<u>\$ 124,183,243</u>	<u>\$ (6,703,693)</u>	<u>\$ 117,479,550</u>

The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY, ALABAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Sanitary Operation	Nonmajor Enterprise	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 253,365,250	\$ 3,000	\$ 253,368,250
Lease receipts from landfill operator	-	633,551	633,551
Other receipts from landfill operator	-	634,773	634,773
Payments to suppliers and service providers	(55,672,922)	(93,929)	(55,766,851)
Payments to employees	(37,556,713)	-	(37,556,713)
Net cash provided by operating activities	160,135,615	1,177,395	161,313,010
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	7,571,089	-	7,571,089
Transfers in	-	1,217,983	1,217,983
Net cash provided by noncapital financing activities	7,571,089	1,217,983	8,789,072
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(57,340,633)	(60,387)	(57,401,020)
Proceeds from sale of capital assets	193,326	-	193,326
Principal payments on bonds	-	(838,650)	(838,650)
Principal payments on warrants	(9,583,643)	-	(9,583,643)
Repayment of interfund advance	-	(717,921)	(717,921)
Interest and fiscal charges paid	(68,266,921)	(379,566)	(68,646,487)
Net cash used in capital and related financing activities	(134,997,871)	(1,996,524)	(136,994,395)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	45,495,746	-	45,495,746
Interest received	(42,563,461)	310,349	(42,253,112)
Net cash provided by investing activities	2,932,285	310,349	3,242,634
Net increase in cash and cash equivalents	35,641,118	709,203	36,350,321
Cash and cash equivalents:			
Beginning of fiscal year	93,973,765	4,802,528	98,776,293
End of fiscal year	\$ 129,614,883	\$ 5,511,731	\$ 135,126,614
Classified as:			
Cash and cash equivalents	\$ 9,747,165	\$ 4,986,666	\$ 14,733,831
Restricted cash and cash equivalents	119,867,718	525,065	120,392,783
Total	\$ 129,614,883	\$ 5,511,731	\$ 135,126,614
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 21,373,227	\$ (2,869,714)	\$ 18,503,513
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	143,716,325	1,822,557	145,538,882
Amortization of deferred inflows - lease arrangements	-	(114,454)	(114,454)
Miscellaneous revenue	1,298,064	-	1,298,064
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
(Increase) decrease in accounts receivable	(6,264,332)	1,741	(6,262,591)
Increase in taxes receivables	(67,367)	-	(67,367)
Increase in intergovernmental receivables	(839,308)	-	(839,308)
Increase in net pension asset	(25,448,335)	-	(25,448,335)
Increase in deferred outflows from pension	(2,908,953)	-	(2,908,953)
Increase in deferred outflows from OPEB	(786,039)	-	(786,039)
Increase in accounts payable	7,674,582	8,597	7,683,179
Increase in retainage payable	881,034	-	881,034
Decrease in accrued payroll	(940,456)	-	(940,456)
Decrease in health claims payable	(3,174)	-	(3,174)
Increase in litigation liability	185,000	-	185,000
Increase in liability claims payable	40,483	-	40,483
Increase in compensated absences	265,334	-	265,334
Increase in total OPEB liability	1,088,423	-	1,088,423
Increase in deferred inflows from pension	21,583,352	-	21,583,352
Decrease in deferred inflows from OPEB	(712,245)	-	(712,245)
Increase in landfill postclosure care costs	-	2,328,668	2,328,668
Net cash provided by operating activities	\$ 160,135,615	\$ 1,177,395	\$ 161,313,010
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	\$ 6,287,004	\$ -	\$ 6,287,004
Total noncash capital and related financing activities	\$ 6,287,004	\$ -	\$ 6,287,004

The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY, ALABAMA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

ASSETS	Custodial Funds	Pension Trust Fund
Cash and cash equivalents	\$ 109,105,122	\$ 56,703,186
Investments		
Equities	-	473,653,305
Corporate fixed income	-	93,575,964
U.S. government securities	-	171,072,756
Foreign bonds	-	67,985,467
Mutual funds	-	192,459,701
Municipal bonds	-	7,187,254
Partnerships	-	136,951,174
Other investments	-	279,000
Other receivable	-	3,088,609
Total assets	109,105,122	1,202,956,416
LIABILITIES		
Accounts payable	-	625,708
Due to broker for investments purchased	-	17,396,803
Due to others	64,036,882	-
Total liabilities	64,036,882	18,022,511
NET POSITION		
Restricted:		
Pension benefits	-	1,184,933,905
Individuals, organizations, and other governments	45,068,240	-
Total net position	\$ 45,068,240	\$ 1,184,933,905

The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY, ALABAMA
STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Custodial Funds	Pension Trust Fund
ADDITIONS		
Employer contributions	\$ -	\$ 9,502,211
Member contributions	-	9,450,273
Total contributions	<u>-</u>	<u>18,952,484</u>
Investment income:		
Investment income	-	19,392,077
Net decrease in fair value of investments	-	(216,581,286)
Less investment expense	-	(2,848,254)
Net investment income (loss)	<u>-</u>	<u>(200,037,463)</u>
Taxes	1,086,907,574	-
Fines and fees	85,585,843	-
Criminal and civil bonds	423,615	-
Other	<u>25,795</u>	<u>372,506</u>
Total additions, net	<u>1,172,942,827</u>	<u>(180,712,473)</u>
DEDUCTIONS		
Benefit payments, including refunds of member contributions	-	77,433,406
Taxes and fees paid to other governments	1,078,537,053	-
Fines and fees disbursed	82,713,177	-
Administrative expenses	-	1,846,550
Other custodial disbursements	<u>22,575</u>	<u>129,124</u>
Total deductions	<u>1,161,272,805</u>	<u>79,409,080</u>
Change in fiduciary net position	11,670,022	(260,121,553)
NET POSITION, beginning of fiscal year, as restated	<u>33,398,218</u>	<u>1,445,055,458</u>
NET POSITION, end of fiscal year	<u>\$ 45,068,240</u>	<u>\$ 1,184,933,905</u>

The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY, ALABAMA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jefferson County, Alabama (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

Jefferson County operates under a commissioner-manager form of government under which a five-member Board of Commissioners is elected to serve as the legislative body for the County. The commissioners are elected by voters in the geographical districts in which they reside, then the Board members elect a chairman. The Commissioners appoint the County Manager. The County provides the following services: general government, public safety, highway and roads, health and welfare, community development, and general administrative services in addition to sanitation services, landfill operations, and economic development.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Blended component units, although legally separate entities are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit

The Hallmark Farms Cooperative District ("District") is part of a cooperative agreement with the City of Warrior, Alabama in which the County agreed to purchase 565 acres in northern Jefferson County for a landmark property that is proposed to be a mixed-use business development. The District's governing body is substantially the same as the governing body of Jefferson County, and the District creates a financial burden for the County, as the debt issued by the District is secured through an intergovernmental agreement with the County and will be repaid with County resources. The District is reported as an enterprise fund. No separate financial statements are issued for this component unit.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units

The Jefferson County Personnel Board (“Board”) is a human resources organization established by the legislature of the State of Alabama in 1935 to administer the County’s Civil Service System. The Civil Service System is designed to assure a degree of job security and equitable treatment to employees of governmental entities as a means of protecting them from the vagaries of the political environment. The Board has three members that are appointed by a Citizens Supervisory Commission. The Board provides services to all jurisdictions within the County and approximately thirty percent of services relate directly to the County. The Board is reliant on the County’s General Fund to pay for expenditures incurred and collect reimbursements from underlying municipalities, and the County is legally obligated for the expenses of the Personnel Board. The Board does not issue separate, stand-alone financial statements.

The Jefferson County Emergency Management Agency (“EMA”) is the first line of official public responsibility for emergency management activity in Jefferson County. As such, the EMA is charged with planning efforts for the County. This includes developing and maintaining an ongoing program of mitigation, preparedness, response, and recovery. The Jefferson County EMA works with local governments, nonprofit organizations, and private sector companies in Jefferson County to develop plans and capabilities to respond to hazards which seriously threaten the County. The EMA is governed by a council of local mayors, with a Jefferson County Commissioner having representation on that Council. The EMA’s budget is built on dues paid by the Jefferson County Commission and local municipalities. As a result, the Agency is fiscally dependent on the County. The EMA does not issue separate, stand-alone financial statements.

The Jefferson County Economic and Industrial Development Authority (“Authority”) is a public corporation whose primary purpose is the promotion of industry, industrial development, and other concerns to induce such enterprises to locate, expand, improve their operations, or remain in Jefferson County, Alabama. The Authority was established by Jefferson County in 1995. The Authority is governed by eleven directors appointed by the County Commission. It is authorized to acquire, own, lease, and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate and remain in Jefferson County. The Authority is also authorized to issue debt to support these activities.

The Authority’s financial statements can be obtained by writing to the Jefferson County Economic and Industrial Development Authority, 2 Metroplex Drive Suite 240, Birmingham, Alabama 35209.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support as well as property taxes. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected within sixty (60) days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are also considered available if they are collected within ninety (90) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, charges for services, intergovernmental grants, and interest income and other miscellaneous receipts associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Special Sales Tax Revenue Fund** accounts for the special revenue sales tax collected and used for the payment of the County's principal and interest on certain governmental bonds and distributed in accordance with Article 9 of the trust indenture dated July 1, 2017.

The **Indigent Care Fund** accounts for the receipt of beverage and sales taxes designated for indigent residents of Jefferson County.

The **American Rescue Plan Fund** accounts for grant funding received by the County under the American Rescue Plan Act of 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The County reports the following major proprietary fund:

The ***Sanitary Operations Fund*** accounts for the operations of the County's sanitary sewer systems. Revenues are generated primarily through user charges, impact fees and designated ad valorem taxes.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are restricted or committed to expenditure for specific purposes.

The ***capital projects funds*** are used to account for capital projects and improvements expended throughout the County.

The ***debt service funds*** are used to account for the accumulation of resources and payment of principal and interest on long-term debt.

The ***custodial funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

The ***pension trust fund*** is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The pension trust fund accounts for the assets of the government's employee pension plan.

The ***enterprise funds*** are used to account for the activities of the County's landfill operations and the Hallmark Farms Cooperative.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund are charges to customers for sales and services provided. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County's nonparticipating interest-earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income. The County's primary investment objective is safety and preservation of capital.

The County has certain investments that are held for debt service, capital improvement, or other purposes generally managed under a trust. The trust indentures usually specify that funds (other than operating accounts) shall be invested or reinvested in qualified investments, in accordance with the instructions of the County. In the absence of such instructions, investments are made in qualified investments, specified in the related agreement, which comply with the County's investment policy.

Investments are reported at fair value. Money market accounts and short-term investment funds are reported at cost, which approximates fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

G. Restricted Assets

Cash and investments that must be used for restricted purposes, are reported as “Restricted Assets” in the government-wide financial statements of net position and fund financial statements balance sheets. Also, some restricted cash and investments are held by one fund but will be expended in other fund, which creates an interfund payable/receivable. These amounts are reported as “Restricted Assets” and “Liabilities Payable from Restricted Assets” in the affected fund financial statements. These interfund transactions are eliminated in the government-wide statements.

H. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Capital assets, including right-to-use lease assets, of the primary government are capitalized at the following thresholds based on the asset type and depreciated or amortized using the straight-line method over the following useful lives:

<u>Asset Category</u>	<u>Capitalization Threshold</u>	<u>Years</u>
Buildings and improvements	\$100,000	40
Improvements other than building	100,000	15-40
Maintenance equipment	15,000	5-10
Motor vehicle fleet	15,000	5-10
Equipment under financed purchase	15,000	5-10
Miscellaneous equipment	15,000	5-10
Office furniture and fixtures	15,000	5-10
Software	15,000	3
Right-to-use lease assets - buildings	100,000	5-15
Right-to-use lease assets - equipment	15,000	4

Capital assets are reviewed for impairment in accordance with the methodology prescribed in GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. Asset impairment, as defined by this standard, is a significant, unexpected decline in the service utility of a capital asset and is not a function of the recoverability of the carrying amount of the asset. Service utility is the usable capacity of the asset that was expected to be used at the time of acquisition and is not related to the level of actual utilization, but the capacity for utilization. Indicators that the service utility of an asset has significantly declined include: (a) evidence of physical damage; (b) changes in legal or environmental circumstances; (c) technological development or evidence of obsolescence; (d) a change in the manner or expected duration of use of the asset; and (e) construction stoppage. The County has determined that no capital asset impairment exists at September 30, 2022.

I. Leases

Lessee

The County is a lessee for noncancelable building and land improvement leases. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$15,000 or more for equipment and \$100,000 or more for buildings.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The County is a lessor for noncancellable property leases, including its landfill. The County recognizes leases receivable and deferred inflows of resources at both the fund level and government-wide level of reporting. The County recognizes lease receivables with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

Key estimates and judgments related to leases receivable include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payment:

- The County uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the County generally uses its estimated incremental leasing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the County over the term of the lease and residual value guarantee payments that are fixed in substance.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and deferred inflows of resources.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. One item that qualifies for reporting in this category is the deferred charge on refunding reported in the proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports deferred inflows of resources in both its governmental funds balance sheet and its governmental activities statement of net position.

The government wide statement of net position reports a deferred inflow of resources for a gain on refunding. The County reports a gain on refunding from debt refunding transactions on outstanding County warrants payable.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

The governmental funds balance sheet and the governmental activities statement of net position will report deferred inflows of resources for deferred revenues. The County reports deferred revenues from property taxes which are received or reported as a receivable before the period for which the taxes have been levied.

The County also reports as deferred inflows of resources items that arise from lease arrangements where the County is a lessor. Lease-related amounts are recognized at inception of leases in which the County is a lessor and are recorded at an amount equal to the corresponding lease receivable, plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows of resources is recognized as revenue in a systemic and rational manner over the term of the lease.

The County also has deferred inflows and outflows related to the recording of changes in its net pension asset and total OPEB liability. Certain changes in the net pension asset and total OPEB liability are recognized as pension and/or OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension asset and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and/or OPEB expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension asset and total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and/or OPEB expense over the expected remaining service lives of plan members. The difference between projected investment return on pension and/or OPEB investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the County to the plans before year end but subsequent to the measurement date of the County's net pension asset and total OPEB liability plans are reported as deferred outflows of resources. These contributions will reduce the County's total OPEB liability and increase the net pension asset in the next fiscal period.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

The County has a standard leave policy for its full-time employees with regards to sick and vacation leave. Vacation earned but not used during the calendar year may be accumulated up to a maximum of 40 days. Vacation leave earned in excess of the maximum accumulation must be used by December 31 of each year, or it is forfeited. A permanent employee, in good standing, terminating from County service shall be compensated for unused earned vacation not to exceed 40 days.

L. Claims Liabilities

The County establishes claims liabilities for health insurance, general, automotive, and workers' compensation self-insured activities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. Estimated amounts of reinsurance recoverable on unpaid claims are deducted from the claims liabilities.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the fiscal year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and any related premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action of the County Commissioners by passage of a resolution and the commitment can only be removed by a resolution of the Commission.

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The Commissioners have delegated, through resolution, the Chief Financial Officer the authority to assign amounts to be used for specific purposes. Included in assigned fund balances are reserves for future budget deficits, economic uncertainties, and catastrophic events. These reserves were established by a County resolution and are funded annually in conjunction with the preparation of the County's financial statements. The funds are available to be spent during economic downturns, to recover from a major economic or environmental disaster, or as temporary support for the County as needed.

Unassigned – Fund balances are reported as unassigned as the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance; any fund of the County reporting a deficit fund balance at fiscal year-end will report that balance as unassigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

P. Pension and OPEB

The General Retirement System for Employees of Jefferson County, Alabama uses a single fiduciary fund to maintain its financial records. The fiduciary fund is accounted for on a flow of economic resources measurement focus. Revenues are recognized when earned and expenses are recognized at the time they are incurred. Employer contributions are recognized when legally due. Benefit payments are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value.

The County also maintains a Defined Benefit Other Post-Employment Benefits (OPEB) Liability, which was initially approved by the County Commissioners in 1990. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

The State Legislature enacted the County Financial Control Act of 1935, which is the present statutory basis for County budgeting operations. Under the terms of the County Financial Control Act, the County Commission, at a meeting in September of each fiscal year but in any event not later than the first meeting in October, must estimate the County's revenues and expenditures and appropriate for the various purposes the respective amounts that are to be used for each purpose. The budget is prepared by department. The County's budgets must be approved by the County Commission. The appropriations must not exceed the total revenues available for appropriation. Expenditures may not legally exceed appropriations. Departments may transfer certain resources within a departmental budget. However, transfers between departments and transfers between personnel costs and other operating costs within a department must receive approval from the Commission before adjustments can be made.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year-end.

Budgets may be adjusted during the fiscal year when approved by the County Commission. Any changes must be within the revenues and reserves estimated to be available.

For the fiscal year ended September 30, 2022, the General Fund had the following excesses of actual expenditures over appropriations:

General Fund:	
General government:	
Board of equalization - personnel costs	\$ 7,874
County attorney - other operating costs	486,448
Family court - personnel costs	233,492
Tax assessor - Bessemer - personnel costs	9,312
Tax assessor - Birmingham - personnel costs	27,051
Tax collector - Birmingham - personnel costs	28,097
Treasurer - other operating costs	287
Non-departmental - personnel costs	969,454
Public safety	
Coroner - personnel costs	85,655
Sheriff - personnel costs	3,282,746
Youth detention - personnel costs	85,880
Transfers out	1,217,983

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Budgets and Budgetary Accounting, Continued

For the fiscal year ended September 30, 2022, the County's other governmental funds had excesses of actual expenditures over appropriations, as follows:

Indigent Care Fund	
Health and welfare	
Indigent care - other operating costs	\$ 445,660
Home Grant Fund	
Community development	
Home grant - personnel costs	\$ 90,123

Deficit Fund Balance and Net Position

The Landfill Operations Fund has a deficit net position of \$7,572,439 at September 30, 2022. Management of the County is currently evaluating its operations for potential cost savings. At September 30, 2022, the Landfill Operations Fund has a liability of \$2,871,682 due to the Debt Service Fund. As this liability is paid down in future years, management expects to see reductions in the deficit net position for the Landfill Operations Fund.

The Jefferson County Economic and Industrial Development Authority (JCEIDA) has a deficit net position of \$7,550,239 at September 30, 2022. Management of JCEIDA is currently evaluating operations for potential cost savings. Management expects to see reductions in the deficit net position as properties are sold in future years.

NOTE 3. DEPOSITS AND INVESTMENTS

Credit risk. The State of Alabama authorizes the County to invest in obligations of the U.S. Treasury and federal agency securities along with certain pre-refunded obligations such as bonds or other obligations of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state, provided that such investments are rated in the highest rating category of S&P Global, Inc. and Moody's Investors Service, Inc.

Operating funds of the County are currently invested in U.S. Treasury notes; municipal bonds; fixed income short-term investment mutual funds; mortgage-backed securities (MBS); certificates of deposit; or maintained in demand deposit, savings, and public funds money market accounts with financial institutions.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk. The investments maintained for the general use of the County are managed by the Jefferson County Treasurer or a bank on their behalf. Investments held in a trust for debt service or capital projects are managed by the bank holding the trust or a designated agent (another bank or investment firm). The County's fiscal agent or custodian provides the fair value of all intermediate maturity investments.

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 FDIC. If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

Interest rate risk. The County's investment policy generally does not allow for an investment in any one issuer that is in excess of five percent of total cash and investments. County investments include \$228,282,945 of GNMA pools, which represent pools of mortgages issued by GNMA, consisting of a multitude of underlying borrowers, generally with no concentrations. U.S. Treasury Securities also made up \$58,840,559 of total County investments. Both types of securities are backed by the full faith and credit of the U.S. Government. There were no other concentrations of investments noted at September 30, 2022.

At September 30, 2022, information on the credit risk and interest rate risk related to the County's investments is disclosed as follows:

Investment	Weighted Average Maturity (Years)	Rating (S&P)	Fair Value
Certificates of deposit	0.28	N/A	\$ 48,936,682
U.S. Treasury Bonds/Notes	0.52	AAA	58,840,559
Municipal Bonds	6.80	AAA	118,042,643
GNMA pools	9.84	AAA	228,282,945
		Total	<u>\$ 454,102,829</u>

The County reports its holdings in the certificates of deposit as cash equivalents for financial reporting purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for the identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of September 30, 2022:

Investment	Level 1	Level 2	Fair Value
U.S. Treasury Bonds / Notes	\$ 58,840,559	\$ -	\$ 58,840,559
Municipal Bonds	-	118,042,643	118,042,643
GNMA pools	-	228,282,945	228,282,945
Total investments measured at fair value	<u>\$ 58,840,559</u>	<u>\$ 346,325,588</u>	<u>\$ 405,166,147</u>

The United States Treasury Bonds/Notes classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The Municipal Bonds and GNMA pools classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The County's certificates of deposit are nonparticipating interest-earning investment contracts and are reported at cost.

Pension Plan

The Plan's policy in regard to investments, including the allocation of invested assets, is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The Plan investment policy adopts the following asset allocation mix to achieve the lowest level of risk for the Plan: Domestic Equity securities - 50%; International Equity securities – 10%; Domestic Fixed Income securities – 25%; International Fixed Income securities – 5%; and Alternative securities – 10%.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At September 30, 2022, the Plan had \$1,143,164,621 invested in the following types of investments:

Investment	Fair Value
U.S. Government securities	\$ 171,072,756
Mutual funds and trusts	192,459,701
Corporate bonds	93,575,964
Domestic stocks	440,144,930
Foreign stocks	33,508,375
Foreign bonds	67,985,467
Municipal bonds	7,187,254
Partnerships	136,951,174
Other investments	279,000
Total	\$ 1,143,164,621

Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the pension trust fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the plan, and are held by either: a) the counterparty or b) the counterparty's trust department or agent, but not in the Plan's name.

The Plan's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Interest rate risk is controlled through diversification of portfolio management styles.

Approved fixed income securities are to be selected from among the U.S. Government and Federal Agency obligations of foreign governments and agencies, and securities rates "BBB-" or better by one of the recognized bond rating services at the time of purchase. Asset-backed securities, mortgage-backed securities, and collateral mortgage obligations are to be rated "AAA" at the time of purchase.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Plan's investment policy limits the investment in international equity securities to 10% of total Plan assets, and investments in international fixed income securities is limited to 5% of total Plan assets. At September 30, 2022, the Plan has \$33,508,375 or approximately 2.9% of total Plan assets invested in foreign stocks. At September 30, 2022, the Plan has \$67,985,467 or approximately 5.9% of total Plan assets invested in foreign bonds.

Concentration. The General Retirement System for Employees of Jefferson County, Alabama does not have investments in any one issuer, which represents five percent or more of the total fair value of all investments.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Plan (Continued)

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for the identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County's pension plan has the following recurring fair value measurements as of September 30, 2022:

Investment	Level 1	Level 2	Level 3	Fair Value
U.S. government securities	\$ -	\$ 171,072,756	\$ -	\$ 171,072,756
Corporate bonds	-	93,575,964	-	93,575,964
Common stocks	440,144,930	-	-	440,144,930
Foreign stocks	33,508,375	-	-	33,508,375
Foreign bonds	-	67,985,467	-	67,985,467
Municipal bonds	-	7,187,254	-	7,187,254
Partnerships	-	-	136,951,174	136,951,174
Other investments	-	279,000	-	279,000
Total investments measured at fair value	<u>\$ 473,653,305</u>	<u>\$ 340,100,441</u>	<u>\$ 136,951,174</u>	<u>\$ 950,704,920</u>

Investments Measured at Net Asset Value (NAV)

Mutual funds and trusts	<u>192,459,701</u>
Total investments at fair value	<u><u>\$ 1,143,164,621</u></u>

The common and foreign stocks and U.S. government securities classified in Level 1 of the fair value hierarchy are valued using prices in active markets for those securities. The corporate and foreign bonds, municipal bonds, partnerships, and other investments classified in Level 2 of the fair value hierarchy are valued using inputs other than quoted prices that are observable. The mutual funds and partnerships comprised of pools of international equity securities managed by an investment company are classified as Net Asset Value, which is calculated by dividing the rate level market level, less management fees, by the number of participation units in the funds.

The partnership investments are privately owned investments and are pooled investment funds valued at fair market value and managed by an investment company. The fair market value is determined daily by taking the current market value of total assets, subtracting any liabilities, and dividing the result by the total number of shares (units) outstanding. Valuation inputs include trading volume and prices collected by third-party vendors, brokers, and market maker dealers on similar assets in markets that are not actively traded.

Rate of return. For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (16.64) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Loan Receivable from Component Unit. The County entered into funding agreements in which it has made loans to the Jefferson County Economic and Industrial Development Authority (the Authority) for certain debt obligations and land purchases. There is no scheduled amortization on the loans. The Authority makes payments on an as needed basis. As of September 30, 2022, the loan receivable due from the Authority was \$28,819,142.

Receivables at September 30, 2022, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Special Sales Tax Revenue Fund	Indigent Care Fund	American Rescue Plan Fund
Receivables:				
Taxes	\$ 86,454,024	\$ 22,673,141	\$ 11,743,216	\$ -
Intergovernmental	2,695,263	-	-	-
Loans to Component Unit	28,819,142	-	-	-
Accounts	9,351,285	-	-	1,971,094
Leases	2,090,192	-	-	-
Interest	262,614	-	-	-
Gross receivables	129,672,520	22,673,141	11,743,216	1,971,094
Less allowance for uncollectibles	(455,701)	-	-	-
Net receivables	\$ 129,216,819	\$ 22,673,141	\$ 11,743,216	\$ 1,971,094
	Nonmajor Governmental Funds	Sanitary Operation Fund	Nonmajor Proprietary Funds	
Receivables:				
Taxes	\$ 76,341,140	\$ 6,957,753	\$ -	
Intergovernmental	-	2,984,587	-	
Leases	-	-	10,025,515	
Loans	19,525,742	-	-	
Accounts	2,884,132	65,862,844	285,371	
Interest	-	1,456,752	-	
Gross receivables	98,751,014	77,261,936	10,310,886	
Less allowance for uncollectibles	(12,127,050)	(31,616,607)	-	
Net receivables	\$ 86,623,964	\$ 45,645,329	\$ 10,310,886	

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Millage rates for property taxes are levied at the first regular meeting of the County Commission in February of each year. Property taxes are assessed as of October 1 of the preceding fiscal year based on the millage rates established by the County Commission. Property taxes are due and payable the following October 1 and are delinquent after December 31. Amounts receivable, net of estimated refunds and estimated uncollectible amounts, are recorded for the property taxes levied in the current fiscal year. As these assessed amounts are budgeted for the subsequent fiscal year, the amounts are recorded as deferred revenue as of fiscal year-end.

Lease Receivable – Primary Government: The County has entered into lease agreements with various third parties whereby the County leases buildings. The County also has a long-term lease agreement with the operator of the County's landfill. The total amount of deferred inflows of resources, including lease revenue and interest revenue, recognized during the fiscal year ended September 30, 2022, was \$975,838. At September 30, 2022, the County's receivable for lease payments was \$12,115,707. Also, the County has a deferred inflow of resources in the amount of \$11,994,418 associated with this lease that will be recognized over the initial lease terms that end on various dates through May of 2059.

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NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 22,232,447	\$ 3,852,400	\$ (25,450)	\$ -	\$ 26,059,397
Construction in progress	69,687,459	19,186,035	-	-	88,873,494
Total capital assets, not being depreciated	<u>91,919,906</u>	<u>23,038,435</u>	<u>(25,450)</u>	<u>-</u>	<u>114,932,891</u>
Capital assets, being depreciated:					
Buildings and improvements	463,395,850	-	(3,235,964)	-	460,159,886
Improvements other than building	238,220,501	3,372,075	(2,110,853)	-	239,481,723
Maintenance equipment	13,661,156	364,804	(297,989)	-	13,727,971
Motor vehicle fleet	42,259,827	2,752,191	(1,426,665)	-	43,585,353
Equipment under financed purchase	30,993,065	-	(13,846,597)	-	17,146,468
Miscellaneous equipment	28,674,177	4,264,807	(188,457)	-	32,750,527
Office furniture and fixtures	21,455,177	300,621	(2,213,491)	-	19,542,307
Software	7,540,491	-	-	-	7,540,491
Total capital assets, being depreciated	<u>846,200,244</u>	<u>11,054,498</u>	<u>(23,320,016)</u>	<u>-</u>	<u>833,934,726</u>
Less accumulated depreciation for:					
Buildings and improvements	(303,071,880)	(7,002,282)	1,821,086	-	(308,253,076)
Improvements other than building	(152,977,852)	(8,252,881)	1,480,654	-	(159,750,079)
Maintenance equipment	(10,388,882)	(596,228)	282,956	-	(10,702,154)
Motor vehicle fleet	(34,782,959)	(3,091,159)	1,419,892	-	(36,454,226)
Equipment under financed purchase	(20,818,431)	(1,976,367)	13,846,597	-	(8,948,201)
Miscellaneous equipment	(16,270,671)	(2,642,456)	186,594	-	(18,726,533)
Office furniture and fixtures	(20,611,273)	(271,714)	2,213,491	-	(18,669,496)
Software	(6,683,356)	(685,687)	-	-	(7,369,043)
Total accumulated depreciation	<u>(565,605,304)</u>	<u>(24,518,774)</u>	<u>21,251,270</u>	<u>-</u>	<u>(568,872,808)</u>
Total capital assets, being depreciated, net	<u>280,594,940</u>	<u>(13,464,276)</u>	<u>(2,068,746)</u>	<u>-</u>	<u>265,061,918</u>
Governmental activities capital assets, net	<u>\$ 372,514,846</u>	<u>\$ 9,574,159</u>	<u>\$ (2,094,196)</u>	<u>\$ -</u>	<u>\$ 379,994,809</u>
Leased assets (Note 6)					<u>2,989,607</u>
Total capital assets, net, as reported in the statement of net position					<u>\$ 382,984,416</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 35,553,188	\$ -	\$ -	\$ -	\$ 35,553,188
Construction in progress	79,297,971	49,014,325	-	(36,354,585)	91,957,711
Total capital assets, not being depreciated	<u>114,851,159</u>	<u>49,014,325</u>	<u>-</u>	<u>(36,354,585)</u>	<u>127,510,899</u>
Capital assets, being depreciated:					
Buildings	1,025,683,754	-	-	-	1,025,683,754
Infrastructure and other improvements	3,848,317,364	11,752,699	-	36,354,585	3,896,424,648
Equipment	20,866,376	2,170,197	(12,179)	-	23,024,394
Motor vehicles	24,182,806	690,416	(1,244,175)	-	23,629,046
Total capital assets, being depreciated	<u>4,919,050,300</u>	<u>14,613,312</u>	<u>(1,256,354)</u>	<u>36,354,585</u>	<u>4,968,761,842</u>
Less accumulated depreciation for:					
Buildings	(528,754,485)	(22,579,991)	-	-	(551,334,479)
Infrastructure and other improvements	(2,494,211,853)	(119,368,774)	-	-	(2,613,580,627)
Equipment	(12,723,925)	(1,708,100)	12,179	-	(14,419,846)
Motor vehicles	(18,823,075)	(1,882,017)	1,244,175	-	(19,460,917)
Total accumulated depreciation	<u>(3,054,513,338)</u>	<u>(145,538,882)</u>	<u>1,256,354</u>	<u>-</u>	<u>(3,198,795,869)</u>
Total capital assets, being depreciated, net	<u>1,864,536,962</u>	<u>(130,925,570)</u>	<u>-</u>	<u>36,354,585</u>	<u>1,769,965,973</u>
Business-type activities capital assets, net	<u>\$ 1,979,388,121</u>	<u>\$ (81,911,245)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,897,476,872</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 10,714,658
Public safety	3,024,702
Highways and roads	10,097,709
Health and welfare	681,705
Total depreciation expense - governmental activities	\$ 24,518,774

Business-type activities:

Sanitary operations	\$ 143,716,325
Landfill operations	1,761,978
Hallmark operations	60,579
Total depreciation expense - business-type activities	\$ 145,538,882

B. Component Units

Capital asset activity for the Emergency Management Agency for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Equipment	\$ 1,127,641	\$ -	\$ (148,729)	\$ 978,912
Motor vehicles	393,210	34,332	(38,430)	389,112
Total capital assets, being depreciated	1,520,851	34,332	(187,159)	1,368,024
Less accumulated depreciation for:				
Equipment	(1,108,939)	(4,879)	148,729	(965,089)
Motor vehicles	(248,626)	(41,686)	38,430	(251,882)
Total accumulated depreciation	(1,357,565)	(46,565)	187,159	(1,216,971)
Total capital assets, net	\$ 163,286	\$ (12,233)	\$ -	\$ 151,053

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Component Units (Continued)

Capital asset activity for the Personnel Board for the fiscal year ended September 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Infrastructure and other improvements	\$ 379,881	\$ -	\$ -	\$ 379,881
Equipment	<u>1,289,749</u>	<u>-</u>	<u>-</u>	<u>1,289,749</u>
Total capital assets, being depreciated	<u>1,669,630</u>	<u>-</u>	<u>-</u>	<u>1,669,630</u>
Less accumulated depreciation for:				
Infrastructure and other improvements	(379,881)	-	-	(379,881)
Equipment	<u>(1,214,690)</u>	<u>(19,969)</u>	<u>-</u>	<u>(1,234,659)</u>
Total accumulated depreciation	<u>(1,594,571)</u>	<u>(19,969)</u>	<u>-</u>	<u>(1,614,540)</u>
Total capital assets, net	<u>\$ 75,059</u>	<u>\$ (19,969)</u>	<u>\$ -</u>	<u>\$ 55,090</u>

NOTE 6. LEASED ASSETS

A summary of leased asset activity for the fiscal year ended September 30, 2022, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Leased assets:				
Buildings	\$ 2,636,669	\$ -	\$ -	\$ 2,636,669
Land improvements	<u>896,364</u>	<u>-</u>	<u>-</u>	<u>896,364</u>
Total	<u>3,533,033</u>	<u>-</u>	<u>-</u>	<u>3,533,033</u>
Less accumulated amortization:				
Buildings	-	(318,004)	-	(318,004)
Land improvements	<u>-</u>	<u>(225,422)</u>	<u>-</u>	<u>(225,422)</u>
Total	<u>-</u>	<u>(543,426)</u>	<u>-</u>	<u>(543,426)</u>
Total leased assets, net	<u>\$ 3,533,033</u>	<u>\$ (543,426)</u>	<u>\$ -</u>	<u>\$ 2,989,607</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASED ASSETS (CONTINUED)

Amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 543,426

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2022, was as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Special Sales Tax Revenue Fund	\$ 46,739,624
General Fund	Nonmajor Governmental Funds	7,051,188
Nonmajor Governmental Funds	Special Sales Tax Revenue Fund	11,438,919
		\$ 65,229,731

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) transactions are recorded in the accounting system.

Advances to/from other funds:

Advance to	Advance from	Amount
Nonmajor Proprietary funds	Nonmajor Governmental funds	\$ 2,871,682

The amounts payable from the nonmajor proprietary funds relate to an advance of debt-related proceeds disbursed to the Landfill Operations Fund from the Debt Service Fund from an original issuance. The balance is expected to be repaid in annual installments, over the next several years, depending on available cash flows generated by the Landfill Fund's operations.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers for the fiscal year ended September 30, 2022 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Special Sales Tax Revenue Fund	\$ 83,039,625
General Fund	Indigent Care Fund	4,291,466
General Fund	Nonmajor Governmental funds	2,895,069
		\$ 90,226,160
Nonmajor Governmental funds	General Fund	\$ 25,489,623
Nonmajor Governmental funds	Special Sales Tax Revenue Fund	27,658,500
Nonmajor Governmental funds	Nonmajor Governmental funds	51,892,784
		\$ 105,040,907
Nonmajor Enterprise funds	General Fund	\$ 1,217,983

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, to (2) move funds to supplement general operations, capital project expenditures and provide sales tax receipts to Hallmark Farms and to (3) service a portion of current fiscal year debt service requirements.

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NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2022:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Warrants payable	\$ 380,830,000	\$ 66,335,000	\$ (30,360,000)	\$ 416,805,000	\$ 33,655,000
Plus: Premiums	35,016,092	4,447,245	(4,944,138)	34,519,199	-
Total warrants payable	<u>415,846,092</u>	<u>70,782,245</u>	<u>(35,304,138)</u>	<u>451,324,199</u>	<u>33,655,000</u>
Bonds payable	16,793,098	-	(365,300)	16,427,798	379,313
Financed purchases	7,389,650	-	(1,850,239)	5,539,411	1,925,766
Lease liabilities	3,533,033	-	(476,866)	3,056,167	484,212
Total OPEB liability	87,746,659	6,682,042	(5,175,108)	89,253,593	-
Compensated absences	20,981,686	10,078,865	(9,091,398)	21,969,153	13,463,316
Litigation Liability	5,827,897	60,000	(192,500)	5,695,397	-
Claims payable	<u>6,224,982</u>	<u>2,000,440</u>	<u>(1,524,959)</u>	<u>6,700,463</u>	<u>1,483,074</u>
Governmental activities long-term liabilities	<u>\$ 564,343,097</u>	<u>\$ 89,603,592</u>	<u>\$ (53,980,508)</u>	<u>\$ 599,966,181</u>	<u>\$ 51,390,681</u>
Business-type Activities:					
Warrants payable	\$ 1,748,646,522	\$ -	\$ (8,745,000)	\$ 1,739,901,522	\$ 10,980,000
Accreted interest on warrants	441,709,600	76,812,300	-	518,521,900	-
Less: Discounts	<u>(28,971,628)</u>	<u>-</u>	<u>1,111,383</u>	<u>(27,860,245)</u>	<u>-</u>
Total warrants payable	2,161,384,494	76,812,300	(7,633,617)	2,230,563,177	10,980,000
Bonds payable - direct placement	12,791,900	-	(838,650)	11,953,250	863,802
Landfill postclosure and postclosure costs liability	17,065,642	2,328,668	-	19,394,310	-
Litigation liability	3,862,000	185,000	-	4,047,000	-
Total OPEB liability	27,326,318	2,082,124	(993,701)	28,414,741	-
Compensated absences	3,976,471	2,959,614	(2,694,280)	4,241,805	1,902,793
Claims payable	<u>1,937,950</u>	<u>524,034</u>	<u>(486,725)</u>	<u>1,975,259</u>	<u>435,500</u>
Business-type activities long-term liabilities	<u>\$ 2,228,344,775</u>	<u>\$ 84,891,740</u>	<u>\$ (12,646,973)</u>	<u>\$ 2,300,589,542</u>	<u>\$ 14,182,095</u>

During the fiscal year ended September 30, 2022, the County implemented Governmental Accounting Standards Statement No. 87, *Leases*, which changed the beginning balance of lease liabilities.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Warrants Payable – Governmental Activities. Warrants payable include obligations for warrants issued in the name of the Jefferson County Commission for the primary purpose of sewer capital projects and related improvements (Business - Type Activities – Sewer Revenue Warrants), for the primary purpose of general capital projects and related improvements (Governmental Activities – General Obligation Refunding Warrants), and for the primary purpose of school capital projects and related improvements (Governmental Activities – Limited Obligation Refunding Warrants). Warrants payable also include related amounts of premiums and discounts on the warrants, which are reported on the statement of net position as an adjustment to the carrying value of the related debt and amortized over the life of the warrants.

In 2017, the County issued refunding warrants (2017 Warrants) under a Trust Indenture dated July 1, 2017 (2017 Trust Indenture), between the County and Regions Bank, as Trustee, for the purpose of refunding the outstanding Limited Obligation School Warrants, Series 2004A and Series 2005A. The Limited Obligation School Warrants, Series 2005B (the 2005B Warrants) were fully redeemed pursuant to their terms on March 1, 2017. The 2017 Warrants are not general obligations of the County but represent limited obligations payable solely out of the Trust Estate established under the 2017 Trust Indenture, which includes a pledge of the gross proceeds of a new one-cent special revenue sales and use tax.

In 2018, the County issued two series of refunding warrants under a Trust Indenture dated May 1, 2018 (2018 Trust Indenture), between the County and Wilmington Trust, National Association, as Trustee. The first series of refunding warrants, Series 2018A, were issued for the purpose of refunding the General Obligation Warrants, Series 2003A and 2004A, and the Lease Revenue Warrants, Series 2006. The General Obligation Warrants, Series 2003A and 2004A, and the Lease Revenue Warrants, Series 2006, were defeased on May 31, 2018, and fully redeemed pursuant to their terms on July 2, 2018.

The second series of refunding warrants, Series 2018B, were issued for the purpose of partially refunding the General Obligation Warrants, Series 2013A and 2013C. The General Obligation Warrants, Series 2013A and 2013C, were partially defeased on September 17, 2018, and partially redeemed pursuant to their terms on December 3, 2018. The remaining outstanding Series 2013A and Series 2013C Warrants matured pursuant to their terms on April 1, 2019. The warrants issued under the 2018 Trust Indenture are general obligations of the County for the payment of which its full faith and credit is pledged. Payment of the warrants is secured by a pledge and assignment of the Trust Estate established under the 2018 Trust Indenture, which includes money in the funds and accounts designated as “Indenture Funds” under the 2018 Trust Indenture.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The Series 2017, 2018A, and 2018B refundings resulted in differences between the reacquisition prices and the net carrying amount of the old warrants, which is presented as a deferred inflow of resources on the statement of net position, net of accumulated amortization, of \$4,904,257. The deferred inflow is recognized as a component of interest expense in a systematic manner over the remaining life of the new debt.

On July 1, 2022, the County entered into a loan agreement with the Alabama Transportation Infrastructure Bank (ATIB) whereby the County issued its Limited Obligation Warrant, Series 2022, to ATIB to evidence a loan of \$66,335,000 to be used to pay costs of road and bridge improvements within the County. The Series 2022 warrant is a limited obligation of the County and is payable from and secured by a pledge of certain ad valorem tax revenues. The County is required to make semi-annual payments on the Series 2022 warrant on February 15 and August 15 of each year, beginning on February 15, 2023.

The outstanding balances for the governmental activities warrants as of September 30, 2022 are as follows:

Series 2017 Limited Obligation Refunding Warrants, with interest paid semiannually at fixed rates ranging from 3.00% to 5.00% and annual principal payments through 2042.	\$ 285,220,000
Series 2018A General Obligation Refunding Warrants, with interest paid semiannually at fixed rates ranging from 4.00% to 5.00% and annual principal payments through 2026.	65,250,000
Series 2022B Limited Obligation Warrant, with interest paid semiannually at fixed rates ranging from 4.125% to 5.00% and annual principal payments through 2042.	66,335,000
Total warrants payable - governmental activities	<u>\$ 416,805,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The debt service to maturity on the governmental activities warrants payable is as follows

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 33,655,000	\$ 20,159,881	\$ 53,814,881
2024	35,560,000	18,256,007	53,816,007
2025	29,120,000	16,478,007	45,598,007
2026	30,575,000	15,022,007	45,597,007
2027	18,015,000	13,493,257	31,508,257
2028-2032	104,400,000	53,135,658	157,535,658
2033-2037	132,800,000	24,727,995	157,527,995
2038-2042	32,680,000	4,079,007	36,759,007
Total	<u>\$ 416,805,000</u>	<u>\$ 165,351,819</u>	<u>\$ 582,156,819</u>

Bonds Payable – Governmental Activities. On July 17, 2018, the County entered into a funding agreement with the Birmingham-Jefferson Civic Center Authority (BJCC) pursuant to which the County is obligated to make 60 semi-annual contributions of \$500,000 on June 20 and December 20 of each fiscal year, beginning on December 20, 2018. The County's obligation to make such contributions under the funding agreement is a general obligation of the County for which the County's full faith and credit are pledged. The County's semi-annual contributions are pledged and assigned by the BJCC for payment of debt service on its Series 2018E revenue bonds. The proceeds of the bonds were used to finance improvements to the BJCC's civic center complex and to pay costs of issuance of the bonds. The remaining principal amount of these general obligation bonds at September 30, 2022, is \$16,427,798.

The debt service to maturity on the governmental activities general obligation bonds is as follows:

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 379,313	\$ 620,687	\$ 1,000,000
2024	393,864	606,136	1,000,000
2025	408,973	591,027	1,000,000
2026	424,662	575,338	1,000,000
2027	440,952	559,048	1,000,000
2028-2032	2,471,848	2,528,152	5,000,000
2033-2037	2,983,758	2,016,242	5,000,000
2038-2042	3,601,683	1,398,317	5,000,000
2043-2047	4,347,578	652,422	5,000,000
2048	975,167	27,908	1,003,075
Total	<u>\$ 16,427,798</u>	<u>\$ 9,575,277</u>	<u>\$ 26,003,075</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Primary Government (Continued)

Warrants Payable – Business-Type Activities. The County entered into a Trust Indenture dated as of December 1, 2013 (2013 Trust Indenture), between the County and Wells Fargo Bank National Association as Trustee (the 2013 Sewer Trustee), as supplemented by the First Supplemental Indenture whereby the County issued its Senior Lien and Subordinate Lien Sewer Revenue Warrants, Series 2013A through Series 2013F, in the aggregate principal amount of \$1,785,486,522 (the 2013 Sewer Warrants or Secured Obligations).

The proceeds of the Series 2013 Sewer Warrants were used to (i) retire the previously outstanding Sewer Warrants and pay certain claims under the County's 2013 Plan of Adjustment, (ii) pay the premium for a municipal bond insurance policy issued by Assured Guaranty Municipal Corporation and (iii) pay a portion of the costs of issuing the 2013 Sewer Warrants.

The 2013 Sewer Warrants are not general obligations of the County, but represent limited obligations of the County, and are payable solely out of and secured by a pledge and assignment of the revenues collected from the County's sewer system.

The Senior Lien Sewer Warrants Series 2013A are Current Interest Warrants, while the Senior Lien Sewer Warrants Series 2013B are Capital Appreciation Warrants and Senior Lien Sewer Warrants Series 2013C are Convertible Capital Appreciation Warrants. The Senior Lien Sewer Warrants Series 2013A, Series 2013B and Series 2013C (the Series 2013 Senior Lien Warrants) have a first priority lien with respect to the right of payment from the General Trust Estate established under the 2013 Trust Indenture and are additionally secured by funds and amounts held in the Series 2013 Senior Lien Reserve Fund and the Series 2013 Senior Lien Debt Service Fund.

The Subordinate Lien Sewer Warrants Series 2013D are Current Interest Warrants, while the Subordinate Lien Sewer Warrants Series 2013E are Capital Appreciation Warrants and Subordinate Lien Sewer Warrants Series 2013F are Convertible Capital Appreciation Warrants. The 2013 Subordinate Lien Sewer Warrants Series 2013D, Series 2013E and Series 2013F (the Series 2013 Subordinate Lien Warrants) have a second priority lien with respect to the right of payment from the General Trust Estate, subordinate to the Series 2013 Senior Lien Warrants and any additional senior lien obligations issued pursuant to the 2013 Indenture. The Series 2013 Subordinate Lien Warrants are additionally secured by funds and amounts held in the Series 2013 Subordinate Lien Reserve Fund and the Series 2013 Subordinate Lien Debt Service Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

There are termination events that change the timing of repayment of outstanding amounts to become immediately due if the following covenants and required coverage ratios are not met:

Senior debt ratio: Pledged net revenues during the fiscal year cannot be less than 125% of debt service due on the Series 2013 Senior Lien Warrants during the fiscal year.

All-in debt ratio: The County is also subject to another ratio, requiring pledged net revenues during the fiscal year to be at least 110% of combined debt service due on the Series 2013 Senior Lien Warrants and the Series 2013 Subordinate Lien Warrants in the same fiscal year.

Operating reserve: The County must maintain a reserve account equal to or greater than twenty-five percent (25%) of the total budgeted sanitary sewer operations costs in each fiscal year.

The outstanding balances for the business-type activities warrants as of September 30, 2022, are as follows:

Description:

Series 2013A Senior Lien Sewer Revenue Current Interest Warrants, with interest paid semiannually at rates ranging from 5.00% to 5.50% and annual principal payments beginning October 2044 through October 2053.	\$ 395,005,000
Series 2013B Senior Lien Sewer Capital Appreciation Warrants with interest accreting and compounding semiannually at fixed rates of 5.63% to 6.63%, with annual principal and accreted interest payments beginning October 2026 through October 2036.	54,999,964
Series 2013C Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, with interest accreting and compounding semiannually at fixed rates of 6.50% to 6.90% to October 2023, and thereafter interest paid semiannually with accreted principal and interest payments beginning October 2038 through 2050.	149,997,926
Series 2013D Subordinate Senior Lien Sewer Revenue Current Interest Warrants, with interest paid semiannually at fixed rates ranging from 5.00% to 7.00% and principal payments beginning October 2017 through October 2053.	765,330,000
Series 2013E Subordinate Senior Lien Revenue Capital Appreciation Warrants, with interest accreting and compounding semiannually at fixed rates of 7.50% to 8.00% until maturity, with accreted interest payments beginning October 2029 through October 2036.	50,271,496
Series 2013F Subordinate Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, with interest accreting and compounding semiannually at fixed rates of 7.50% to 7.90% to October 2023, and thereafter interest paid semiannually with accreted principal and interest payments beginning October 2037 through 2050.	324,297,136
Total warrants payable, business-type activities	\$ 1,739,901,522

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The debt service to maturity on the business-type activities warrants payable, including payments of accreted interest, is as follows:

Fiscal Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
September 30,			
2023	\$ 10,980,000	\$ 149,328,160	\$ 160,308,160
2024	14,780,000	154,717,786	169,497,786
2025	-	156,715,110	156,715,110
2026	2,438,595	157,724,237	160,162,832
2027	4,567,584	158,522,625	163,090,209
2028-2032	42,366,544	793,073,262	835,439,806
2033-2037	67,960,687	746,461,541	814,422,228
2038-2042	295,551,202	624,685,433	920,236,635
2043-2047	288,208,629	493,156,756	781,365,385
2048-2052	558,253,281	289,098,663	847,351,944
2053-2055	454,795,000	29,116,113	483,911,113
Total	<u>\$ 1,739,901,522</u>	<u>\$ 3,752,599,686</u>	<u>\$ 5,492,501,208</u>

Accreted Interest on Warrants. The Series 2013B, Series 2013C, Series 2013E and Series 2013F Sewer Warrants are either capital appreciation warrants or convertible capital appreciation warrants with combined accreted interest of \$518,521,900 as of September 30, 2022. Accretion expense is recorded as a component of interest expense and totaled \$76,812,298 for the fiscal year ended September 30, 2022.

Bonds Payable – Direct Placement. In April 2019, the County entered into a limited funding agreement with the Hallmark Farm Cooperative District of Jefferson County, Alabama (the District) and the City of Warrior, Alabama, for the purpose of issuing the District’s Capital Improvement Bond, Series 2019 (Series 2019 Bond) in the amount of \$13,000,000. The County is obligated to make sixty (60) quarterly payments of principal and interest on January 1, April 1, July 1, and October 1 of each year.

Interest payments made under the Jefferson County Limited Funding agreement began in October 2019, and principal payments began in July 2021. The proceeds of the Series 2019 Bond were used to make capital improvements to the District’s property, located in Warrior, Alabama. The outstanding principal amount of the Series 2019 Bond as of September 30, 2022, was \$11,953,250.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County's debt service requirements for these direct placement bonds as of September 30, 2022, are as follows:

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 863,802	\$ 353,843	\$ 1,217,645
2024	889,716	328,164	1,217,880
2025	916,408	299,913	1,216,321
2026	943,900	271,729	1,215,629
2027	972,217	242,698	1,214,915
2028-2032	5,316,482	747,449	6,063,931
2033-2034	2,050,725	62,900	2,113,625
Total	<u>\$ 11,953,250</u>	<u>\$ 2,306,696</u>	<u>\$ 14,259,946</u>

Financed Purchases Payable. The County has entered into various financed purchase agreements related to equipment and vehicles across all departments reported within governmental activities.

On July 1, 2017, the County entered into a purchase agreement to finance the acquisition of new equipment in the amount of \$5,617,977. Annual principal and interest payments are required until maturity on January 1, 2025 at an interest rate of 3.79%.

On August 15, 2017, the County entered into a purchase agreement to finance the acquisition of new equipment in the amount of \$5,889,446. Annual principal and interest payments are required until maturity on February 1, 2025 at an interest rate of 4.01%.

As of September 30, 2022, the County had \$12,170,303 of equipment and vehicles, with associated accumulated depreciation of \$5,301,130 financed under the financed purchase agreements.

Future minimum payments are as follows:

Fiscal Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,925,766	\$ 221,008	\$ 2,146,774
2024	1,771,920	142,366	1,914,286
2025	1,841,725	72,560	1,914,285
Total	<u>\$ 5,539,411</u>	<u>\$ 435,934</u>	<u>\$ 5,975,345</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Landfill Closure and Postclosure. State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill site for thirty (30) years after closure. In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfills' capacities used during the fiscal year.

The County reported a liability for closure and postclosure care of its landfills of \$19,394,310. County MSW Cells 1 and 2 are approximately 94% and 70% capacity as of fiscal year end, respectively. The MSW Subcell is approximately 93% capacity, but estimates will require modification as additional subcells are constructed over time. The County also reports a remaining liability for the Mt. Olive Sanitary and the Turkey Creek Sanitary Landfills, both of which were closed in 1997.

Lease Liabilities. During the fiscal year, the County had active noncancelable lease agreements as lessee. A description of those agreements and the related balances are as follows:

The County has a noncancelable lease agreement with a third party for parking deck use, terminating on September 30, 2025. As the lease does not contain a specified interest rate, the County has used its incremental borrowing rate for similar assets of 3.0% as the discount rate for the lease. Aggregate monthly payments range from \$9,756 to \$11,875 over the term of the agreement. At September 30, 2022, the County's outstanding balance on this lease agreement was \$408,337.

The County has a noncancelable lease agreement with a third party for a radio tower, terminating in September of 2030. As the lease does not contain a specified interest rate, the County has used its incremental borrowing rate for similar assets of 3.0% as the discount rate for the lease. Aggregate monthly payments are \$1,455 over the term of the agreement. At September 30, 2022, the County's outstanding balance on this lease agreement was \$125,307.

The County has a noncancelable lease agreement with a third party for equipment towers, terminating on December 31, 2024. As the lease does not contain a specified interest rate, the County has used its incremental borrowing rate for similar assets of 3.0% as the discount rate for the lease. Aggregate monthly payments are \$4,883 over the term of the agreement. At September 30, 2022, the County's outstanding balance on this lease agreement was \$127,339.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County has a noncancelable lease agreement with a third party for office space rental used as a satellite office for its Revenue Department, terminating in February of 2030. As the lease does not contain a specified interest rate, the County has used its incremental borrowing rate for similar assets of 3.0% as the discount rate for the lease. Aggregate monthly payments range from \$10,069 to \$10,571 over the term of the agreement. At September 30, 2022, the County's outstanding balance on this lease agreement was \$832,867.

The County has a noncancelable lease agreement with a third party for office space rental used as a satellite office for its Revenue Department, terminating in September of 2036. As the lease does not contain a specified interest rate, the County has used its incremental borrowing rate for similar assets of 3.0% as the discount rate for the lease. Aggregate monthly payments range from \$10,080 to \$11,113 over the term of the agreement. At September 30, 2022, the County's outstanding balance on this lease agreement was \$1,450,029.

The County has a noncancelable lease agreement with a third party for a property lease for a police substation, terminating in September of 2024. As the lease does not contain a specified interest rate, the County has used its incremental borrowing rate for similar assets of 3.0% as the discount rate for the lease. Aggregate monthly payments are \$500 over the term of the agreement. At September 30, 2022, the County's outstanding balance on this lease agreement was \$11,160.

The County has a noncancelable lease agreement with a third party for office space used by the County to operate the Workforce Innovation Opportunity Act Program, terminating in June of 2023. As the lease does not contain a specified interest rate, the County has used its incremental borrowing rate for similar assets of 3.0% as the discount rate for the lease. Aggregate monthly payments are \$11,350 over the term of the agreement. At September 30, 2022, the County's outstanding balance on this lease agreement was \$101,128.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Debt service to maturity on the County's outstanding lease liabilities is as follows:

Fiscal Year ending September 30,	Principal	Interest	Total
2023	\$ 484,212	\$ 84,503	\$ 568,715
2024	394,535	71,791	466,326
2025	359,812	60,090	419,902
2026	213,829	51,441	265,270
2027	226,465	44,853	271,318
2028-2032	869,968	130,354	1,000,322
2033-2036	507,346	31,341	538,687
Total	<u>\$ 3,056,167</u>	<u>\$ 474,373</u>	<u>\$ 3,530,540</u>

B. Discretely Presented Component Units

The following is a summary of long-term debt activity for the County's discretely-presented component units for the fiscal year ended September 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Personnel Board:					
Compensated absences	\$ 1,232,303	\$ 838,808	\$ (896,793)	\$ 1,174,318	\$ 185,275
Personnel Board long-term liabilities	<u>\$ 1,232,303</u>	<u>\$ 838,808</u>	<u>\$ (896,793)</u>	<u>\$ 1,174,318</u>	<u>\$ 185,275</u>
Emergency Management Agency					
Compensated absences	\$ 78,041	\$ 39,454	\$ (36,165)	\$ 81,330	\$ 39,800
Claims payable	20,073	6,110	-	26,183	5,773
Emergency Management Agency long-term liabilities	<u>\$ 98,114</u>	<u>\$ 45,564</u>	<u>\$ (36,165)</u>	<u>\$ 107,513</u>	<u>\$ 45,573</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description. The General Retirement System for Employees of Jefferson County, Alabama (the Retirement System) is the administrator of a single-employer, defined benefit pension plan (the Pension Plan) covering substantially all employees of Jefferson County, Alabama, including the Jefferson County Personnel Board. The Retirement System was established by Act Number 497, Acts of Alabama 1965, page 717, as amended, and provides guidelines for benefits to retired and disabled employees of the County. The responsibility for making effective the provisions of Act 497 is vested in the Pension Board, which consists of five members.

The Pension Plan's financial statements are publicly available in the annual report of the General Retirement System for Employees of Jefferson County, Alabama for the fiscal year ended September 30, 2022. The report may be reviewed at the Jefferson County Courthouse, Room 430, Birmingham, Alabama.

Plan membership is mandatory for all classified full-time civil service employees upon commencement of employment. Employees whose employment is not subject to the civil service system or those who are officers may elect to join. As of October 1, 2021, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	2,447
Terminated vested participants	243
Active Members	<u>2,527</u>
	<u><u>5,217</u></u>

Benefits Provided. Plan benefits are determined by various criteria including, but not limited to, age, years of service and basic average salary. Basic average salary is defined as the average salary for the highest consecutive 36-month period of employment, excluding overtime and longevity pay. Benefits are limited to a maximum of 75% of a member's basic average salary and vest after 10 years of paid service. Benefits are received in monthly payments over the remaining life of the member. Vested members, upon termination, for reasons other than retirement, death, or disability, may elect to forego monthly benefit payments and receive a one-time payment of their retirement contributions and related interest.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits may be received under the following conditions:

Normal Retirement – A member may retire upon reaching age 55 with a total of 30 years of service of which at least 20 years are paid membership time with the County, or the member may retire regardless of age after completing 30 years of paid membership time with the County. Otherwise the member must have attained age 60 with a minimum of 10 years of paid service.

Early Retirement – Any member who has completed 30 years of service, including 10 years of paid membership service, may elect to receive a regular early retirement benefit reduced by a percentage according to the member's age on the birthday preceding retirement. Any member who has completed 25 years of paid membership service may elect to receive a 25-year early retirement benefit reduced by 7% for each year less than 30 years of paid membership.

Contributions. Employees of the County are required by statute to contribute 6% of their gross salary to the Plan. The County is required to contribute amounts equal to participant contributions. The Plan also receives from the County a percentage of the proceeds from the sale of pistol permits. Employee contributions to the Plan were approximately \$9,450,000 for the fiscal year ended September 30, 2022. County contributions to the Plan were \$9,431,746 for the fiscal year ended September 30, 2022. The County's contribution rate was 6.30% of covered payroll.

Net Pension Liability (Asset) of the County. The County's net pension liability (asset) was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of October 1, 2021. An expected total pension liability as of September 30, 2022 was determined using standard roll-forward techniques.

Actuarial Assumptions. The total pension liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases, including inflation	4.25 – 6.75%, including inflation
Investment rate of return	6.50%, including inflation, net of investment expense

Mortality rates were based on the Pub-2010 Headcount-weighted Mortality Table for General Employees Below Median and projected generationally with scale MP-2018, adjusted by 105% for males and 110% for females for the period after service retirement and for dependent beneficiaries. The Pub-2010 Mortality Table for Non-Safety Disabled Retirees projected generationally with projection scale MP-2018, adjusted by 105% for males and 110% for females was used for the period after disability retirement.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The actuarial assumptions used in the October 1, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2013 through September 30, 2018. The discount rate of 6.5% was adopted by the Board on January 27, 2022.

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 investment expense and inflation), were developed for each major asset class. These ranges were 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic large cap	35.0%	8.40%
Domestic small/mid cap blend	15.0%	8.40
International equity	10.0%	8.90
Fixed income	25.0%	4.00
International fixed	5.0%	3.80
Hedge fund of funds	5.0%	5.80
Real estate	5.0%	6.80
Total	100%	

Discount rate. The discount rate used to measure the total pension liability (asset) at September 30, 2021, was the long-term investment rate of return, 6.50%, which was a decrease from the previous valuation of 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions and employer contributions will be made at the current contribution rates. Projected future benefit payments for all current plan members were projected through the year in which the last benefit payment will be made. 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 the pension investments was applied to all periods of projected benefit payments to determine the total pension liability, and a municipal bond rate was not used in determining the discount rate.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability (Asset) of the County. The changes in the components of the net pension liability (asset) (\$ in thousands) of the County for the fiscal year ended September 30, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 9/30/2021	\$ 1,115,549	\$ 1,242,597	\$ (127,048)
Changes for the fiscal year:			
Service cost	26,741	-	26,741
Interest	72,815	-	72,815
Differences between expected and actual experience	(1,050)	-	(1,050)
Changes in assumptions	28,728	-	28,728
Contributions—employer	-	8,401	(8,401)
Contributions—employee	-	8,355	(8,355)
Net investment income	-	260,802	(260,802)
Benefit payments, including refunds of employee contributions	(73,604)	(73,604)	-
Benefit changes	-	(1,994)	1,994
Other expense	-	498	(498)
Administrative expense	-	-	-
Net changes	53,630	202,458	(148,828)
Balances at 9/30/2022	\$ 1,169,179	\$ 1,445,055	\$ (275,876)

As of September 30, 2022, the Plan's net pension asset is reported on the statement of net position as follows (\$ in thousands):

	Net Pension Asset
Primary Government	\$ 265,103
Personnel Board	10,773
Total net pension asset	\$ 275,876

As of September 30, 2022, the Plan's fiduciary net position as a percentage of the total pension liability is 123.6%.

The required schedule of changes in the County's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following table presents the net pension asset of the County, including the Jefferson County Personnel Board component unit (\$ in thousands), calculated using the discount rate of 6.50%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
\$ (148,227)	\$ (275,876)	\$ (383,986)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022 and the current sharing pattern of costs between employer and employee.

Pension Expense (Income) and Deferred Outflows of Resources Related to Pensions. For the fiscal year ended September 30, 2022, the County recognized (\$ in thousands) pension expense (income) of \$(26,557). At September 30, 2022, the County and the Personnel Board reported deferred outflows of resources related to pensions from the following sources (\$ in thousands):

	Primary Government		Personnel Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,785	\$ -	\$ 154
Changes in assumptions	38,237	1,978	1,555	81
Net difference between projected and actual earnings on pension plan investments	-	127,332	-	5,174
Employer contributions subsequent to the	9,065	-	367	-
Total	\$ 47,302	\$ 133,095	\$ 1,922	\$ 5,409

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

County contributions of \$9,431,746 subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the subsequent fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (\$ in thousands):

Fiscal Year ending September 30:	
2023	\$ (26,943)
2024	(16,736)
2025	(26,514)
2026	(29,581)
2027	1,063
Total	<u>\$ (98,711)</u>

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Plan Administration and Benefits. The County, as authorized by the County Commission, administers a single-employer defined benefit Postemployment Welfare Benefits Plan (the “OPEB Plan”) which also covers employees of the Jefferson County Personnel Board and the Jefferson County Emergency Management Agency. The Plan is administered by the County management, under the direction of the County’s Board of Commissioners. The County pays an explicit subsidy equal to the difference between the claims incurred (for the Aetna plans) or the monthly premium charged by the insurance carrier (for the Kaiser and vision plans). The County subsidizes a portion of the retiree’s health care insurance premiums based on the total years of service and age at retirement. The County’s subsidy for each covered retired employee ranges from \$209 to \$1,807 per month, and total insurance premiums range from \$726 to \$2,165 per month. The OPEB Plan provides for medical insurance coverage to eligible retirees and their dependents as indicated below. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the OPEB Plan.

Benefits are generally available at the earliest of the following:

1. Age 60 and completion of 10 years of paid membership service,
2. 30 years of paid membership service or
3. Age 55 with 30 years of service of which 20 must be paid membership service.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Membership. Membership of the Plan consisted of the following at January 1, 2021, the date of the latest actuarial valuation:

Active participants	2,458
Inactives and beneficiaries currently receiving benefits	<u>424</u>
Total	<u><u>2,882</u></u>

Contributions. The County has elected to fund the Plan on a “pay as you go” basis. Plan members, once retired, contribute to the plan based on number of years of creditable service. Per a County resolution, the County is required to contribute the current year benefit costs of the Plan, which are not paid by the retiree. For the fiscal year ended September 30, 2022, the County contributed \$5,423,784 for the pay-as-you-go benefits for the Plan.

The County’s total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of September 30, 2020.

Actuarial assumptions. The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	2.26%
Healthcare Cost Trend Rate:	7.00% - 4.75%, Ultimate Trend in 2029
Inflation Rate:	2.75%
Salary increase:	4.25% including inflation
Participation rate:	Not available

Mortality rates were based on the Pub-2010 Headcount-weighted Mortality Table for General Employees Below Median and projected generationally with scale MP-2018, adjusted by 105% for males and 110% for females for the period after service retirement and for dependent beneficiaries. The Pub-2010 Mortality Table for Non-Safety Disabled Retirees projected generationally with projection scale MP-2018, adjusted by 105% for males and 110% for females was used for the period after disability retirement.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period October 1, 2013 – September 30, 2018.

Discount rate. The discount rate used to measure the total OPEB liability was 2.26%, which was an increase from the prior rate of 2.21%. This rate is based on the return on the 20-Bond average General Obligation 20-year Municipal Bond Rate published at the end of the last week during the month of September by The Bond Buyer.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability of the County. The changes in the total OPEB liability of the County for the fiscal year ended September 30, 2022, were as follows:

	Total OPEB Liability (a)
Balances at 9/30/21	\$ 116,925,047
Changes for the fiscal year:	
Service cost	6,379,911
Interest	2,529,478
Experience differences	(673,967)
Assumption changes	(522,005)
Benefit payments	(4,965,203)
Net changes	2,748,214
Balances at 9/30/22	\$ 119,673,261

As of September 30, 2022, the Plan's total OPEB liability is reported on the statement of net position as follows:

	<u>Total OPEB Liability</u>
Primary Government	\$ 117,668,334
Personnel Board	1,944,248
Emergency Management Agency	60,679
Total OPEB Liability	\$ 119,673,261

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County (including the Jefferson County Personnel Board and Jefferson County Emergency Management Agency) as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.26%) or 1-percentage-point higher (3.26%) than the current discount rate:

	1% Decrease (1.26%)	Discount Rate (2.26%)	1% Increase (3.26%)
Total OPEB liability	\$ 130,618,504	\$ 119,673,261	\$ 109,761,578

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County (including the Jefferson County Personnel Board and Jefferson County Emergency Management Agency), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6% decreasing to 3.75%) or 1-percentage-point higher (8% decreasing to 5.75%) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 3.75%)	Healthcare Rate (7% decreasing to 4.75%)	1% Increase (8% decreasing to 5.75%)
Total OPEB liability	\$ 106,004,171	\$ 119,673,261	\$ 135,884,210

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended September 30, 2022, the County recognized OPEB expense of \$6,659,902. At September 30, 2022, the County reported deferred outflows of resources related to OPEB from the following sources:

	Primary Government		Personnel Board		Emergency Management Agency	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 343,504	\$ 14,675,608	\$ 5,375	\$ 229,633	\$ 140	\$ 5,964
Changes in plan assumptions	9,264,361	2,809,457	158,053	59,275	5,397	3,053
Employer contributions subsequent to measurement date	5,338,088	-	83,526	-	2,170	-
Total	<u>\$ 14,945,953</u>	<u>\$ 17,485,065</u>	<u>\$ 246,954</u>	<u>\$ 288,908</u>	<u>\$ 7,707</u>	<u>\$ 9,017</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2022. Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year ending September 30:		
2022		\$ (2,249,487)
2023		(2,249,487)
2024		(1,307,628)
2025		395,708
2026		(806,958)
Thereafter		<u>(1,788,308)</u>
	Total	<u>\$ (8,006,160)</u>

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents. Settlements have not exceeded insurance coverage in each of the past three years.

Health Insurance

The County provides health coverage for its employees under a partial self-insurance plan in which excess coverage is provided through a commercial insurance provider. Under this plan, the County purchases specific reinsurance coverage with an unlimited benefit for each covered person, subject to a \$250 deductible per covered person. Employees may obtain health care services through participation in the County's group health insurance plan. Risk management administers health insurance and negotiates with private providers to provide health, life, accidental death and dismemberment, vision and dental insurances for its employees and dependents. The County pays approximately 75 percent of health and 100 percent of basic life and accidental death and dismemberment, and the employees pay 100 percent of dental and vision insurance and other voluntary insurance plans. The County's risk financing activities associated with the County's group health insurance, such as the risks of loss related to medical and prescription drug claims, are administered through third parties on a paid-claims basis. The following describes the activity for the past two fiscal years:

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2022	\$ 2,141,577	\$ 37,907,491	\$ (37,907,652)	\$ 2,141,416
2021	1,804,000	27,101,095	(26,763,518)	2,141,577

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

Workers' Compensation

The County provides workers' compensation coverage for its employees under a plan of partial self-insurance. Under this plan, the County is self-insured with a retention of \$550,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The County has purchased commercial insurance for claims in excess of coverage provided by the County. Liabilities include an amount for claims that have been incurred but not reported. Settled claims have not exceeded the County's additional coverage in any of the past three (3) periods.

The following describes the activity for the past two fiscal years:

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2022	\$ 7,501,570	\$ 717,096	\$ (213,480)	\$ 8,005,186
2021	6,781,000	1,051,752	(331,182)	7,501,570

General and Auto Liability

The County is self-insured with an established department to finance losses. The following describes the activity for the past two fiscal years:

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2022	\$ 661,362	\$ 308,602	\$ (273,246)	\$ 696,718
2021	909,000	\$ (1,835)	(245,803)	661,362

NOTE 12. COMMITMENTS AND CONTINGENCIES

Construction Commitments

In addition to the liabilities enumerated in the balance sheet, at September 30, 2022, the County has construction commitments on uncompleted contracts of approximately \$174,407,087.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The County is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of County operations. The County consults with legal counsel regarding these lawsuits and claims and defend against them. As of September 30, 2022, the County has accrued estimated litigation payments in the accompanying statement of net position and has accrued a total liability of approximately \$388,500.

Under the terms of a Consent Decree pertaining to violations of the federal Clean Water Act, the County is responsible for reporting to the United States Environmental Protection Agency (EPA) certain violations relating to the County's sanitation operations. These violations carry financial penalties which are due upon demand by the EPA. As of September 30, 2022, accumulated penalties included in the litigation liability on the County's statement of net position for business-type activities total \$4,047,000.

Additionally, the County carries a liability related to lawsuits whereby the County was alleged to have improperly collected sales taxes on diesel fuel sold to certain companies in the railroad industry. As of September 30, 2022, resolution of this matter is pending in the Jefferson County Circuit Court pending the outcome of similar cases currently being heard in federal courts. It is the County's position that any unfavorable outcome in these cases would be limited to pro-rata payouts from the County's Unsecured Claims Fund, established as a result of the County's bankruptcy (Note 14). As such, the County has accrued the entirety of the Unsecured Claims Fund of \$5,306,897 as a liability on the statement of net position for governmental activities at September 30, 2022.

Grant Contingencies

The County has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

NOTE 13. TAX ABATEMENTS

The County enters into property tax abatement agreements with local businesses under the Tax Incentive Reform Act of 1992, Section 40-9B-1 et seq., of the Code of Alabama. Under the Act, municipalities may grant property tax abatements on up to \$3,000,000 of the assessed value of capital additions on a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County. For the fiscal year ended September 30, 2022, Jefferson County abated property taxes totaling approximately \$3.6 million under this program.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. TAX ABATEMENTS (CONTINUED)

The County also is subject to tax abatements granted by the Birmingham Industrial Development Board (BIDB), an entity created by the County and the City of Birmingham in 2016 under Chapter 94, Title 11 of the Code of Alabama. This authority has the stated purpose of developing any property on or near any navigable river for increasing business activity and employment in the County and the City. The BIDB issues abatements of ad valorem property taxes for economic development purposes to keep or attract businesses. For the fiscal year ended September 30, 2022, the BIDB abated property taxes totaling approximately \$4.9 million.

NOTE 14. BANKRUPTCY SETTLEMENT AND CONFIRMATION

During the fiscal year ended September 30, 2009, the County received Notices of Events of Default from indenture trustees and certain banks for certain debt obligations and was unable to meet its accelerated debt service obligations as they became due. The County filed a petition for relief under Chapter 9 of the United States Bankruptcy Code on November 9, 2011, in the United States Bankruptcy Court for the Northern District of Alabama.

On November 6, 2013, the County filed with the Bankruptcy Court a modified Chapter 9 plan, which was titled the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated November 6, 2013)*. On November 22, 2013, after conclusion of a confirmation hearing, the Bankruptcy Court entered its order (the Confirmation Order) confirming the County's November 6, 2013 Plan of Adjustment.

The Plan of Adjustment set forth the manner in which the County proposed to adjust and treat all claims in the bankruptcy case. The Plan of Adjustment, the Confirmation Order, and the Disclosure Statement regarding the Plan of Adjustment (Disclosure Statement) are all public documents and available for review. For a complete understanding of the Plan of Adjustment and its terms, it should be read in conjunction with the Confirmation Order and the Disclosure Statement. These documents can be obtained from the County's website at:

https://www.jccal.org/Sites/Jefferson_County/Documents/Finance/Chapter%209%20Plan%20of%20Adjustment.pdf.

As of September 30, 2022, the County has recorded a liability of \$5,306,897 related to unsecured claims, per order of the Bankruptcy Court (see Note 12).

NOTES TO FINANCIAL STATEMENTS

NOTE 14. **BANKRUPTCY SETTLEMENT AND CONFIRMATION (CONTINUED)**

Post-Effective Date Events

On April 1, 2017, the County made final payment on the Series 2013B and 2013D Warrants.

On March 1, 2017, the Series 2005B Warrants were fully redeemed pursuant to their terms.

On July 31, 2017, the County issued the Series 2017 Warrants in order to redeem and retire the Series 2004A and 2005A Limited Obligation School Warrants.

On May 24, 2018, the County issued the Series 2018A General Obligation Refunding Warrants in order to redeem and retire the Series 2003A Warrants, the Series 2004A Warrants, and the Lease Revenue Warrants, Series 2006.

On August 16, 2018, the U.S. Eleventh Circuit Court of Appeals ordered the dismissal of an appeal from Jefferson County's Plan of Adjustment by ratepayers of the County's sewer system. There are no challenges outstanding to the Plan of Adjustment at September 30, 2022.

On September 17, 2018, the County issued the delayed delivery of the Series 2018B General Obligation Refunding Warrants in order to partially redeem and retire the General Obligation Series 2013A and 2013C Warrants.

On April 1, 2019, the County made final payment on the non-refunded portions of the Series 2013A and 2013C Warrants.

On April 1, 2021, the County made final payment on the Series 2018B Warrants.

Progress on Resolution of Unsecured Claims

The County has, at the order of the Bankruptcy Court, placed \$5,306,897 into a restricted Unsecured Claims bank account. The largest of the unsettled, unsecured claims relate to ongoing litigation with various railroads involved in litigation around the state-wide collection of diesel fuel tax. Once all remaining unsecured creditors settle with the County, the entirety of this amount will be distributed on a pro-rata basis (see Note 12).

Current Impact on Sanitary Fund Operations

Under the Plan of Adjustment and Confirmation Order, the Bankruptcy Court has the ability to enforce rate increases set forth in the Approved Rate Structure (Rate Structure) validated by the Bankruptcy Court as part of the Plan of Adjustment. Pursuant to the Rate Structure, sewer rates will increase by a minimum of 3.49% annually in each fiscal year beginning October 1, 2018, across all categories of sewer charges. This rate requirement exists for as long as the Series 2013 Sewer Revenue Warrants remain outstanding.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. RESTATEMENTS

Management of the County has determined that a restatement to beginning fund balance of the General Fund is needed to correct an error in the prior fiscal year's financial statements pertaining to the County's contingent liability associated with its bankruptcy. In the prior fiscal years, the County reported a \$5,306,897 liability in its statement of net position pertaining to unsecured claims associated with the County's bankruptcy (Note 14). Management identified that this liability was also reported in the County's General Fund, resulting in an overstatement of liabilities by \$5,000,000.

Management also determined that a restatement to beginning fund balance of the Indigent Care Fund is necessary to correct an error in the prior fiscal year's financial statements where a liability in the amount of \$9,916,226 was erroneously omitted. At September 30, 2021, the County recorded a receivable for sales taxes, a portion of which is due to Cooper Green – Mercy Health Services Authority. This amount due to Cooper Green – Mercy Health Services was not recorded and resulted in an understatement of expenditures and liabilities.

The impacts of these restatements on beginning fund balances for the General Fund and the Indigent Care Fund and beginning net position for governmental activities are as follows:

	General Fund
Beginning fund balance, as previously reported	\$ 281,751,272
Effect of restatement - correction of error	5,000,000
Beginning fund balance, as restated	<u>\$ 286,751,272</u>
	Indigent Care Fund
Beginning fund balance, as previously reported	\$ 23,046,029
Effect of restatement - correction of error	(9,916,226)
Beginning fund balance, as restated	<u>\$ 13,129,803</u>
	Governmental Activities
Beginning net position, as previously reported	\$ 283,589,028
Effect of restatements - correction of errors	(4,916,226)
Beginning net position, as restated	<u>\$ 278,672,802</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 15. RESTATEMENTS (CONTINUED)

Management of the County has also determined that a restatement to beginning net position of the Probate Court custodial fund is required due to the omission of the financial information related to the Bessemer Probate Court in the prior fiscal year. The impact of this restatement on beginning net position for the Probate Court custodial fund is as follows:

	Custodial Funds
Beginning net position, as previously reported	\$ 31,533,043
Effect of restatement - correction of error	1,865,175
Beginning net position as restated	<u>\$ 33,398,218</u>

REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY, ALABAMA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 52,358,718	\$ 52,358,718	\$ 52,633,605	\$ 274,887
Sales taxes	61,802,115	61,802,115	71,225,128	9,423,013
Other taxes	10,648,309	10,648,309	10,378,367	(269,942)
Licenses and permits	11,499,563	11,499,563	16,138,200	4,638,637
Intergovernmental	5,391,751	5,750,461	9,526,129	3,775,668
Charges for services	40,624,077	40,624,077	43,865,313	3,241,236
Interest income	451,748	451,748	362,306	(89,442)
Miscellaneous	2,320,963	2,320,963	2,508,196	187,233
Total revenues	<u>185,097,244</u>	<u>185,455,954</u>	<u>206,637,244</u>	<u>21,181,290</u>
Expenditures:				
Current:				
General government				
Board of Equalization				
Personnel costs	274,806	274,806	282,680	(7,874)
Total Board of Equalization	<u>274,806</u>	<u>274,806</u>	<u>282,680</u>	<u>(7,874)</u>
Board of Registrars				
Personnel costs	944,069	944,069	899,059	45,010
Other operating costs	455,949	486,872	483,832	3,040
Total Board of Registrars	<u>1,400,018</u>	<u>1,430,941</u>	<u>1,382,891</u>	<u>48,050</u>
Commission				
Personnel costs	1,394,626	1,394,626	1,360,641	33,985
Total Commission	<u>1,394,626</u>	<u>1,394,626</u>	<u>1,360,641</u>	<u>33,985</u>
Commission support				
Other operating costs	570,000	578,138	549,516	28,622
Grant expenditures	2,895,069	13,569,755	6,163,863	7,405,892
Total Commission support	<u>3,465,069</u>	<u>14,147,893</u>	<u>6,713,379</u>	<u>7,434,514</u>
Community development				
Personnel costs	1,018,335	1,018,335	819,001	199,334
Other operating costs	73,350	81,572	50,747	30,825
Total community development	<u>1,091,685</u>	<u>1,099,907</u>	<u>869,748</u>	<u>230,159</u>
Compliance				
Personnel costs	1,238,654	1,238,654	989,988	248,666
Other operating costs	425,281	433,019	207,145	225,874
Total compliance	<u>1,663,935</u>	<u>1,671,673</u>	<u>1,197,133</u>	<u>474,540</u>
County attorney				
Personnel costs	1,322,009	1,322,009	1,316,216	5,793
Other operating costs	4,595,656	4,688,250	5,174,698	(486,448)
Total county attorney	<u>5,917,665</u>	<u>6,010,259</u>	<u>6,490,914</u>	<u>(480,655)</u>
County manager				
Personnel costs	845,292	845,292	817,998	27,294
Other operating costs	109,800	111,438	76,345	35,093
Total county manager	<u>955,092</u>	<u>956,730</u>	<u>894,343</u>	<u>62,387</u>
Development service				
Personnel costs	5,322,473	5,322,473	5,030,449	292,024
Other operating costs	849,626	872,531	869,637	2,894
Total development service	<u>6,172,099</u>	<u>6,195,004</u>	<u>5,900,086</u>	<u>294,918</u>

(Continued)

JEFFERSON COUNTY, ALABAMA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
General government (Continued)				
District attorney - Bessemer				
Personnel costs	2,755,748	2,755,748	2,656,594	99,154
Other operating costs	7,960	31,900	23,000	8,900
Total district attorney - Bessemer	<u>2,763,708</u>	<u>2,787,648</u>	<u>2,679,594</u>	<u>108,054</u>
District attorney - Birmingham				
Personnel costs	5,557,129	5,557,129	5,485,385	71,744
Other operating costs	240,350	282,498	270,250	12,248
Total district attorney - Birmingham	<u>5,797,479</u>	<u>5,839,627</u>	<u>5,755,635</u>	<u>83,992</u>
District attorney				
Other operating costs	161,417	166,299	116,940	49,359
Total district attorney	<u>161,417</u>	<u>166,299</u>	<u>116,940</u>	<u>49,359</u>
Economic development				
Other operating costs	10,000,000	10,000,000	1,941,100	8,058,900
Total economic development	<u>10,000,000</u>	<u>10,000,000</u>	<u>1,941,100</u>	<u>8,058,900</u>
Family court				
Personnel costs	6,626,705	6,626,705	6,860,197	(233,492)
Other operating costs	950,000	1,189,825	903,481	286,344
Total family court	<u>7,576,705</u>	<u>7,816,530</u>	<u>7,763,678</u>	<u>52,852</u>
Finance department				
Personnel costs	2,777,081	2,777,081	2,323,401	453,680
Other operating costs	1,113,314	1,382,954	900,479	482,475
Total finance department	<u>3,890,395</u>	<u>4,160,035</u>	<u>3,223,880</u>	<u>936,155</u>
Fleet management				
Personnel costs	2,464,041	2,464,041	2,430,189	33,852
Other operating costs	7,179,926	10,066,997	7,592,041	2,474,956
Total fleet management	<u>9,643,967</u>	<u>12,531,038</u>	<u>10,022,230</u>	<u>2,508,808</u>
General services				
Personnel costs	9,694,565	9,144,565	8,854,500	290,065
Other operating costs	14,241,714	17,060,963	11,807,324	5,253,639
Total general services	<u>23,936,279</u>	<u>26,205,528</u>	<u>20,661,824</u>	<u>5,543,704</u>
Human resources				
Personnel costs	3,754,534	3,706,870	3,284,419	422,451
Other operating costs	1,487,436	2,351,427	1,062,654	1,288,773
Total human resources	<u>5,241,970</u>	<u>6,058,297</u>	<u>4,347,073</u>	<u>1,711,224</u>
Information technology				
Personnel costs	5,551,210	5,551,210	5,107,361	443,849
Other operating costs	7,327,941	7,834,963	6,900,962	934,001
Total information technology	<u>12,879,151</u>	<u>13,386,173</u>	<u>12,008,323</u>	<u>1,377,850</u>
Law library				
Personnel costs	181,097	181,097	40,847	140,250
Other operating costs	400	400	-	400
Total law library	<u>181,497</u>	<u>181,497</u>	<u>40,847</u>	<u>140,650</u>

(Continued)

JEFFERSON COUNTY, ALABAMA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
General government (Continued)				
Probate court				
Personnel costs	6,762,396	6,878,714	5,558,056	1,320,658
Other operating costs	613,477	1,053,081	146,404	906,677
Total probate court	<u>7,375,873</u>	<u>7,931,795</u>	<u>5,704,460</u>	<u>2,227,335</u>
Public information				
Personnel costs	304,577	304,577	271,178	33,399
Other operating costs	280,500	374,557	271,370	103,187
Total public information	<u>585,077</u>	<u>679,134</u>	<u>542,548</u>	<u>136,586</u>
Revenue department				
Personnel costs	12,213,280	12,213,280	11,605,971	607,309
Other operating costs	1,369,158	1,554,515	1,207,068	347,447
Total revenue department	<u>13,582,438</u>	<u>13,767,795</u>	<u>12,813,039</u>	<u>954,756</u>
State court				
Personnel costs	1,650,484	1,650,484	1,553,138	97,346
Other operating costs	2,802,204	2,916,622	1,891,724	1,024,898
Total state court	<u>4,452,688</u>	<u>4,567,106</u>	<u>3,444,862</u>	<u>1,122,244</u>
Tax assessor - Bessemer				
Personnel costs	286,486	286,486	295,798	(9,312)
Other operating costs	20,130	20,714	18,333	2,381
Total tax assessor - Bessemer	<u>306,616</u>	<u>307,200</u>	<u>314,131</u>	<u>(6,931)</u>
Tax assessor - Birmingham				
Personnel costs	638,612	638,612	665,663	(27,051)
Other operating costs	50,000	50,723	45,134	5,589
Total tax assessor - Birmingham	<u>688,612</u>	<u>689,335</u>	<u>710,797</u>	<u>(21,462)</u>
Tax collector - Bessemer				
Personnel costs	743,412	743,412	741,872	1,540
Other operating costs	44,816	48,275	31,785	16,490
Total tax collector - Bessemer	<u>788,228</u>	<u>791,687</u>	<u>773,657</u>	<u>18,030</u>
Tax collector - Birmingham				
Personnel costs	2,572,614	2,572,614	2,600,711	(28,097)
Other operating costs	1,520,388	1,519,387	1,260,058	259,329
Total tax collector - Birmingham	<u>4,093,002</u>	<u>4,092,001</u>	<u>3,860,769</u>	<u>231,232</u>
Treasurer				
Personnel costs	455,711	455,711	443,156	12,555
Other operating costs	28,868	30,521	30,808	(287)
Total treasurer	<u>484,579</u>	<u>486,232</u>	<u>473,964</u>	<u>12,268</u>
Non-Departmental				
Personnel costs	103,280	103,280	1,072,734	(969,454)
Other operating costs	4,355,799	3,655,799	2,959,084	696,715
Total non-departmental	<u>4,459,079</u>	<u>3,759,079</u>	<u>4,031,818</u>	<u>(272,739)</u>
Total general government				
Personnel costs	77,453,226	76,971,880	73,367,202	3,604,678
Other operating costs	60,875,460	68,844,240	46,791,919	22,052,321
Grant expenditures	2,895,069	13,569,755	6,163,863	7,405,892
Total total general government	<u>141,223,755</u>	<u>159,385,875</u>	<u>126,322,984</u>	<u>33,062,891</u>

(Continued)

JEFFERSON COUNTY, ALABAMA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Current (Continued):				
Public safety				
Coroner				
Personnel costs	2,100,092	2,100,092	2,185,747	(85,655)
Other operating costs	2,400,307	2,440,659	2,262,115	178,544
Total coroner	<u>4,500,399</u>	<u>4,540,751</u>	<u>4,447,862</u>	<u>92,889</u>
Security				
Personnel costs	3,261,779	3,261,779	3,226,671	35,108
Other operating costs	152,788	192,344	74,922	117,422
Total security	<u>3,414,567</u>	<u>3,454,123</u>	<u>3,301,593</u>	<u>152,530</u>
Sheriff				
Personnel costs	57,724,444	57,724,444	61,007,190	(3,282,746)
Other operating costs	16,822,617	19,561,287	17,458,876	2,102,411
Total sheriff	<u>74,547,061</u>	<u>77,285,731</u>	<u>78,466,066</u>	<u>(1,180,335)</u>
Youth detention				
Personnel costs	4,744,379	4,744,379	4,830,259	(85,880)
Other operating costs	705,961	775,961	677,251	98,710
Total youth detention	<u>5,450,340</u>	<u>5,520,340</u>	<u>5,507,510</u>	<u>12,830</u>
Total public safety				
Personnel costs	67,830,694	67,830,694	71,249,867	(3,419,173)
Other operating costs	20,081,673	22,970,251	20,473,164	2,497,087
Total total public safety	<u>87,912,367</u>	<u>90,800,945</u>	<u>91,723,031</u>	<u>(922,086)</u>
Health and welfare				
Senior services				
Personnel costs	326,041	326,041	246,324	79,717
Other operating costs	752,880	974,387	683,222	291,165
Total health and welfare	<u>1,078,921</u>	<u>1,300,428</u>	<u>929,546</u>	<u>370,882</u>
Debt Service				
Principal	400,003	1,102,893	711,085	391,808
Interest	640,246	1,364,244	730,464	633,780
Total debt service	<u>1,040,249</u>	<u>2,467,137</u>	<u>1,441,549</u>	<u>1,025,588</u>
Total expenditures	<u>231,255,292</u>	<u>253,954,385</u>	<u>220,417,110</u>	<u>33,537,275</u>
Deficiency of revenues under expenditures	<u>(46,158,048)</u>	<u>(68,498,431)</u>	<u>(13,779,866)</u>	<u>54,718,565</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	384,456	384,456
Transfers in	-	73,637,978	90,226,160	16,588,182
Transfers out	-	(25,489,623)	(26,707,606)	(1,217,983)
Total other financing sources (uses)	<u>-</u>	<u>48,148,355</u>	<u>63,903,010</u>	<u>15,754,655</u>
Net change in fund balances	(46,158,048)	(20,350,076)	50,123,144	70,473,220
Fund balance, beginning of fiscal year, as restated	<u>286,751,272</u>	<u>286,751,272</u>	<u>286,751,272</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 240,593,224</u>	<u>\$ 266,401,196</u>	<u>\$ 336,874,416</u>	<u>\$ 70,473,220</u>

**JEFFERSON COUNTY, ALABAMA
SPECIAL SALES TAX REVENUE FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 119,348,547	\$ 134,798,547	\$ 134,635,109	\$ (163,438)
Interest income	-	-	163,016	163,016
Total revenues	<u>119,348,547</u>	<u>134,798,547</u>	<u>134,798,125</u>	<u>(422)</u>
Expenditures:				
Current:				
General government				
Special sales tax revenue				
Other operating costs	<u>24,100,000</u>	<u>24,100,000</u>	<u>24,100,000</u>	<u>-</u>
Total expenditures	<u>24,100,000</u>	<u>24,100,000</u>	<u>24,100,000</u>	<u>-</u>
Excess of revenues over expenditures	95,248,547	110,698,547	110,698,125	(422)
Other financing uses:				
Transfers out	-	(110,698,125)	(110,698,125)	-
Total other financing uses	<u>-</u>	<u>(110,698,125)</u>	<u>(110,698,125)</u>	<u>-</u>
Net changes in fund balances	95,248,547	422	-	(422)
Fund balances, beginning of fiscal year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 95,248,547</u>	<u>\$ 422</u>	<u>\$ -</u>	<u>\$ (422)</u>

**JEFFERSON COUNTY, ALABAMA
INDIGENT CARE FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 62,137,282	\$ 69,926,457	\$ 69,926,457	\$ -
Interest income	-	-	471,869	471,869
Total revenues	<u>62,137,282</u>	<u>69,926,457</u>	<u>70,398,326</u>	<u>471,869</u>
Expenditures:				
Current:				
Health and welfare				
Indigent care				
Other operating costs	62,137,282	67,665,467	68,111,127	(445,660)
Total expenditures	<u>62,137,282</u>	<u>67,665,467</u>	<u>68,111,127</u>	<u>(445,660)</u>
Excess of revenues over expenditures	-	2,260,990	2,287,199	26,209
Other financing uses:				
Transfers out	-	(4,291,466)	(4,291,466)	-
Total other financing uses	<u>-</u>	<u>(4,291,466)</u>	<u>(4,291,466)</u>	<u>-</u>
Net changes in fund balances	-	(2,030,476)	(2,004,267)	26,209
Fund balances, beginning of fiscal year	<u>13,129,803</u>	<u>13,129,803</u>	<u>13,129,803</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 13,129,803</u>	<u>\$ 11,099,327</u>	<u>\$ 11,125,536</u>	<u>\$ 26,209</u>

**JEFFERSON COUNTY, ALABAMA
AMERICAN RESCUE PLAN FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 22,202,895	\$ 22,202,895	\$ 14,057,034	\$ (8,145,861)
Interest income	-	-	528,054	528,054
Total revenues	<u>22,202,895</u>	<u>22,202,895</u>	<u>14,585,088</u>	<u>(8,145,861)</u>
Expenditures:				
Current:				
General government				
American Rescue Plan				
Grant expenditures	20,458,353	20,458,353	12,312,492	8,145,861
Capital outlay - general government	<u>1,744,542</u>	<u>1,744,542</u>	<u>1,744,542</u>	<u>-</u>
Total expenditures	<u>22,202,895</u>	<u>22,202,895</u>	<u>14,057,034</u>	<u>8,145,861</u>
Net changes in fund balances	-	-	528,054	528,054
Fund balances, beginning of fiscal year	<u>4,690</u>	<u>4,690</u>	<u>4,690</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 4,690</u>	<u>\$ 4,690</u>	<u>\$ 532,744</u>	<u>\$ 528,054</u>

**JEFFERSON COUNTY, ALABAMA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 6,379,911	\$ 6,084,712	\$ 4,303,584	\$ 5,018,436	\$ 5,477,022
Interest on total OPEB liability	2,529,478	3,180,743	4,182,343	3,985,495	3,352,505
Experience differences	(673,967)	(10,229,995)	596,549	(14,558,554)	(223,984)
Assumption changes	(522,005)	579,950	15,363,248	(1,066,617)	(6,682,973)
Benefit payments	<u>(4,965,203)</u>	<u>(4,504,785)</u>	<u>(5,320,237)</u>	<u>(4,616,219)</u>	<u>(4,797,648)</u>
Net change in total OPEB liability	2,748,214	(4,889,375)	19,125,487	(11,237,459)	(2,875,078)
Total OPEB liability - beginning	<u>116,925,047</u>	<u>121,814,422</u>	<u>102,688,935</u>	<u>113,926,394</u>	<u>116,801,472</u>
Total OPEB liability - ending	<u>\$ 119,673,261</u>	<u>\$ 116,925,047</u>	<u>\$ 121,814,422</u>	<u>\$ 102,688,935</u>	<u>\$ 113,926,394</u>
Covered employee payroll	\$ 145,971,113	\$ 145,971,113	\$ 147,968,770	\$ 147,968,770	\$ 126,644,600
Total OPEB liability as a percentage of covered employee payroll	82.0%	80.1%	82.3%	69.4%	90.0%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

JEFFERSON COUNTY, ALABAMA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability					
Service cost	\$ 26,741,000	\$ 25,372,000	\$ 22,859,000	\$ 20,890,000	\$ 19,490,000
Interest on total pension liability	72,815,000	72,053,000	70,863,000	69,534,000	68,349,000
Differences between expected and actual experience	(1,050,000)	(4,267,000)	(477,000)	(6,423,000)	(8,548,000)
Changes in assumptions	28,728,000	26,958,000	(6,178,000)	-	-
Benefit changes	-	2,756,000	-	-	-
Benefit payments, including refunds of employee contributions	(73,604,000)	(73,297,000)	(66,845,000)	(63,188,000)	(61,527,000)
Net change in total pension liability	<u>53,630,000</u>	<u>49,575,000</u>	<u>20,222,000</u>	<u>20,813,000</u>	<u>17,764,000</u>
Total pension liability - beginning	<u>1,115,549,000</u>	<u>1,065,974,000</u>	<u>1,045,752,000</u>	<u>1,024,939,000</u>	<u>1,007,175,000</u>
Total pension liability - ending (a)	<u>\$ 1,169,179,000</u>	<u>\$ 1,115,549,000</u>	<u>\$ 1,065,974,000</u>	<u>\$ 1,045,752,000</u>	<u>\$ 1,024,939,000</u>
Plan fiduciary net position					
Contributions - employer	\$ 8,401,000	\$ 9,180,000	\$ 8,710,000	\$ 8,340,000	\$ 7,627,000
Contributions - employee	8,964,000	9,889,000	9,348,000	8,734,000	8,033,000
Net investment income (loss)	260,802,000	85,095,000	31,930,000	124,985,000	120,056,000
Benefit payments, including refunds of member contributions	(73,604,000)	(73,297,000)	(66,845,000)	(63,188,000)	(61,527,000)
Administration expenses	(1,994,000)	(1,726,000)	(1,648,000)	(1,426,000)	(1,865,000)
Other expenses	(111,000)	(281,000)	(291,000)	(195,000)	(78,000)
Net change in plan fiduciary net position	<u>202,458,000</u>	<u>28,860,000</u>	<u>(18,796,000)</u>	<u>77,250,000</u>	<u>72,246,000</u>
Plan fiduciary net position - beginning	<u>1,242,597,000</u>	<u>1,213,737,000</u>	<u>1,232,533,000</u>	<u>1,155,283,000</u>	<u>1,083,037,000</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,445,055,000</u>	<u>\$ 1,242,597,000</u>	<u>\$ 1,213,737,000</u>	<u>\$ 1,232,533,000</u>	<u>\$ 1,155,283,000</u>
County's net pension liability - ending (a) - (b)	<u>\$ (275,876,000)</u>	<u>\$ (127,048,000)</u>	<u>\$ (147,763,000)</u>	<u>\$ (186,781,000)</u>	<u>\$ (130,344,000)</u>
Plan fiduciary net position as a percentage of the total pension liability	123.6%	111.4%	113.9%	117.9%	112.7%
Covered payroll	\$ 140,017,000	\$ 153,000,000	\$ 145,167,000	\$ 139,000,000	\$ 127,117,000
Net pension liability as a percentage of covered payroll	-197.0%	-83.0%	-101.8%	-134.4%	-102.5%
	<u>2017</u>	<u>2016</u>	<u>2015</u>		
Total pension liability					
Service cost	\$ 17,798,000	\$ 17,325,000	\$ 16,860,000		
Interest on total pension liability	65,859,000	64,608,000	63,046,000		
Differences between expected and actual experience	12,504,000	(5,226,000)	-		
Changes in assumptions	-	-	-		
Benefit payments, including refunds of employee contributions	-	(58,006,000)	(57,165,000)		
Other changes	(59,662,000)	-	-		
Net change in total pension liability	<u>36,499,000</u>	<u>18,701,000</u>	<u>22,741,000</u>		
Total pension liability - beginning	<u>970,676,000</u>	<u>951,975,000</u>	<u>929,234,000</u>		
Total pension liability - ending (a)	<u>\$ 1,007,175,000</u>	<u>\$ 970,676,000</u>	<u>\$ 951,975,000</u>		
Plan fiduciary net position					
Contributions - employer	\$ 7,393,000	\$ 6,732,000	\$ 6,587,000		
Contributions - employee	7,969,000	7,155,000	7,333,000		
Net investment income (loss)	97,411,000	(1,107,000)	105,706,000		
Benefit payments, including refunds of member contributions	(59,662,000)	(58,006,000)	(57,165,000)		
Administration expenses	(1,300,000)	(998,000)	(931,000)		
Other expenses	(78,000)	(78,000)	(84,000)		
Net change in plan fiduciary net position	<u>51,733,000</u>	<u>(46,302,000)</u>	<u>61,446,000</u>		
Plan fiduciary net position - beginning	<u>1,031,304,000</u>	<u>1,077,606,000</u>	<u>1,016,160,000</u>		
Plan fiduciary net position - ending (b)	<u>\$ 1,083,037,000</u>	<u>\$ 1,031,304,000</u>	<u>\$ 1,077,606,000</u>		
County's net pension liability - ending (a) - (b)	<u>\$ (75,862,000)</u>	<u>\$ (60,628,000)</u>	<u>\$ (125,631,000)</u>		
Plan fiduciary net position as a percentage of the total pension liability	107.5%	106.2%	113.2%		
Covered payroll	\$ 123,217,000	\$ 112,200,000	\$ 109,783,000		
Net pension liability as a percentage of covered payroll	-61.6%	-54.0%	-114.4%		

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

JEFFERSON COUNTY, ALABAMA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF COUNTY CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 9,431,746	\$ 8,685,695	\$ 9,180,000	\$ 8,340,000	\$ 7,627,000
Contributions in relation to the actuarially determined contribution	9,431,746	8,685,695	9,180,000	8,340,000	7,627,000
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 140,017,000	\$ 153,000,000	\$ 145,167,000	\$ 139,000,000	\$ 127,117,000
Contributions as a percentage of covered payroll	6.7%	5.7%	6.3%	6.0%	6.0%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 7,393,000	\$ 6,732,000	\$ 6,587,000	\$ 6,851,000	\$ 7,744,000
Contributions in relation to the actuarially determined contribution	7,393,000	6,732,000	6,587,000	6,851,000	7,744,000
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 123,217,000	\$ 112,200,000	\$ 109,783,000	\$ 109,783,000	\$ 114,183,000
Contributions as a percentage of covered payroll	6.0%	6.0%	6.0%	6.2%	6.8%

Notes to the Schedule:

(1) Actuarial Assumptions	
Valuation Date	September 30, 2022
Cost Method	Entry age normal
Actuarial Asset Valuation Method	5-year market related value
Assumed Rate of Return on Investments	6.75%, net of pension plan investment expense, including inflation
Projected Salary Increases	4.25%-6.75%, including inflation
Inflation	2.75%
Cost-of-living Adjustment	None
Amortization Method	Level percent open
Remaining Amortization Period	21 years

JEFFERSON COUNTY, ALABAMA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF PENSION INVESTMENT RETURNS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expenses for the County's Pension Plan	6.50%	25.30%	6.60%	4.20%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expenses for the County's Pension Plan	13.00%	13.00%	11.60%	-2.50%
Annual money-weighted rate of return, net of investment expenses for the County's Pension Plan	<u>2014</u>			
	N/A			

N/A - number not available per the audited General Retirement System for Employees of Jefferson County, Alabama financial report for fiscal year 2014.

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Tax Assessor Birmingham Fund - to account for the expenditures for the State-funded Tax Assessor Birmingham operations.

Tax Assessor Bessemer Fund - to account for the expenditures for the State-funded Tax Assessor Bessemer operations.

Road Fund - to account for the expenditure of funds received for building and maintaining roads and bridges.

Board of Equalization Fund - to account for property taxes restricted by the state for the operation of the Board of Equalization.

Bridge and Public Buildings Fund - to account for the expenditure of special County property taxes for building and maintenance of public buildings, roads and bridges.

Emergency Rental Assistance Fund - to account for the expenditure of funds received for emergency use of rental assistance.

Community Development Fund - to account for the expenditure of federal block grant funds.

Community Development Loan Fund - to account for loans to businesses through the federal block grant funds.

Workforce Development Fund - to account for the expenditures of the Workforce Innovation Opportunity Act (WIOA).

Sheriff Condemnations Fund - to account for funds from fines and forfeitures to be used for law enforcement activities.

Sheriff Special Programs Fund - to account for funds from fines, forfeitures and contributions and donations received that are to be expended within the guidelines of each program as established by external resource providers.

Law Library Fund - to account for funds from the related revenues and expenditures of operating the County's Law Library.

Home Grant Fund - to account for the expenditure of funds received to create affordable housing for low income households.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Capital Improvements Fund - to account for financial resources used in the improvement of major capital facilities.

Road Construction Fund - to account for the financial resources expended in the construction of roads.

Debt Service Funds

Limited Obligation Refunding Debt Fund - to account for the payment of principal and interest on the Series 2017 Limited Obligation Refunding debt.

Debt Service Fund – to account for the accumulation of resources for and the payment of principal and interest on governmental debt.

JEFFERSON COUNTY, ALABAMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

Special Revenue Funds									
ASSETS	Tax Assessor Birmingham	Tax Assessor Bessemer	Road	Board of Equalization	Bridge and Public Buildings	Emergency Rental Assistance	Community Development	Community Development Loan	Workforce Development
Cash and cash equivalents	\$ 1,579,600	\$ 367,329	\$ 23,593,560	\$ 1,108,440	\$ 3,726,288	\$ 3,280,262	\$ 326,200	\$ 1,099,558	\$ 3,234,420
Accounts receivable, net	-	-	38,626	-	-	-	1,591,124	-	1,166,588
Taxes receivable	3,122,170	1,889,746	13,025,147	8,389,478	49,914,599	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-
Loan receivables, net	-	-	-	-	-	-	1,215,645	974,653	-
Total assets	\$ 4,701,770	\$ 2,257,075	\$ 36,657,333	\$ 9,497,918	\$ 53,640,887	\$ 3,280,262	\$ 3,132,969	\$ 2,074,211	\$ 4,401,008
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 94,195	\$ 5,433	\$ 2,498,794	\$ 160,322	\$ -	\$ 468,510	\$ 1,021,253	\$ -	\$ 802,853
Retainage payable	-	-	-	-	-	-	75,448	-	-
Due to other funds	-	-	-	-	-	-	818,709	-	-
Due to other governments	-	-	8,727,475	-	-	-	-	-	-
Accrued payroll and benefits	43,468	24,903	331,621	79,777	-	-	31,665	-	17,576
Unearned revenue - intergovernmental	-	-	-	-	-	2,735,226	649	-	-
Total liabilities	137,663	30,336	11,557,890	240,099	-	3,203,736	1,947,724	-	820,429
DEFERRED INFLOWS OF RESOURCES									
Deferred revenue - property taxes	3,122,170	1,889,746	11,278,338	8,389,478	52,288,324	-	-	-	-
Total deferred inflows of resources	3,122,170	1,889,746	11,278,338	8,389,478	52,288,324	-	-	-	-
FUND BALANCES									
Restricted:									
Grant programs	-	-	-	-	-	76,526	-	-	3,580,579
Tax assessor operations	1,441,937	336,993	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Law library operations	-	-	-	-	-	-	-	-	-
Public works	-	-	13,821,105	-	1,352,563	-	-	-	-
Equalization operations	-	-	-	868,341	-	-	-	-	-
Community development	-	-	-	-	-	-	1,185,245	2,074,211	-
Debt service	-	-	-	-	-	-	-	-	-
Assigned:									
Capital projects	-	-	-	-	-	-	-	-	-
Total fund balances	1,441,937	336,993	13,821,105	868,341	1,352,563	76,526	1,185,245	2,074,211	3,580,579
Total liabilities, deferred inflows of resources and fund balances	\$ 4,701,770	\$ 2,257,075	\$ 36,657,333	\$ 9,497,918	\$ 53,640,887	\$ 3,280,262	\$ 3,132,969	\$ 2,074,211	\$ 4,401,008

Special Revenue Funds				Capital Projects		Debt Service Funds		Total Nonmajor Governmental Funds
Sheriff Condemnations	Sheriff Special Programs	Law Library	Home Grant	Capital Improvements	Road Construction	Limited Obligation Refunding Debt	Debt Service	
\$ 1,494,700	\$ 4,547,635	\$ 985,977	\$ -	\$ 26,672,135	\$ 75,071,282	\$ 75,274	\$ 3,299,621	\$ 150,462,281
-	-	-	21,778	-	-	-	-	2,818,116
-	-	-	-	-	-	-	-	76,341,140
-	-	-	-	-	-	11,438,919	-	11,438,919
-	-	-	-	-	-	-	2,871,682	2,871,682
-	-	-	5,274,410	-	-	-	-	7,464,708
<u>\$ 1,494,700</u>	<u>\$ 4,547,635</u>	<u>\$ 985,977</u>	<u>\$ 5,296,188</u>	<u>\$ 26,672,135</u>	<u>\$ 75,071,282</u>	<u>\$ 11,514,193</u>	<u>\$ 6,171,303</u>	<u>\$ 251,396,846</u>
\$ -	\$ -	\$ -	\$ -	\$ 356,216	\$ 4,409,197	\$ -	\$ -	\$ 9,816,773
-	-	-	-	113,308	472,324	-	-	661,080
-	-	-	75,503	-	-	-	6,156,976	7,051,188
-	-	-	-	-	-	-	-	8,727,475
-	-	-	-	-	-	-	-	529,010
-	-	-	-	-	-	-	-	2,735,875
-	-	-	75,503	469,524	4,881,521	-	6,156,976	29,521,401
-	-	-	-	-	-	-	-	76,968,056
-	-	-	-	-	-	-	-	76,968,056
-	-	-	5,220,685	-	-	-	-	8,877,790
-	-	-	-	-	-	-	-	1,778,930
1,494,700	4,547,635	-	-	-	-	-	-	6,042,335
-	-	985,977	-	-	-	-	-	985,977
-	-	-	-	-	-	-	-	15,173,668
-	-	-	-	-	-	-	-	868,341
-	-	-	-	-	-	-	-	3,259,456
-	-	-	-	-	-	11,514,193	14,327	11,528,520
-	-	-	-	26,202,611	70,189,761	-	-	96,392,372
<u>1,494,700</u>	<u>4,547,635</u>	<u>985,977</u>	<u>5,220,685</u>	<u>26,202,611</u>	<u>70,189,761</u>	<u>11,514,193</u>	<u>14,327</u>	<u>144,907,389</u>
<u>\$ 1,494,700</u>	<u>\$ 4,547,635</u>	<u>\$ 985,977</u>	<u>\$ 5,296,188</u>	<u>\$ 26,672,135</u>	<u>\$ 75,071,282</u>	<u>\$ 11,514,193</u>	<u>\$ 6,171,303</u>	<u>\$ 251,396,846</u>

**JEFFERSON COUNTY, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Special Revenue Funds

	Tax Assessor Birmingham	Tax Assessor Bessemer	Road	Board of Equalization	Bridge and Public Buildings	Emergency Rental Assistance	Community Development	Community Development Loan	Workforce Development
Revenues:									
Taxes	\$ 3,466,986	\$ 1,444,059	\$ 24,833,616	\$ 5,964,304	\$ 54,725,269	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	333,462	-	-	16,993,991	6,126,570	-	4,148,579
Licenses and permits	-	-	827,443	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Charges for services	5,655.00	1,493.00	2,497,639	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-	-
Interest income	-	-	30,069	-	65,583	64,470	1,178	9,079	4,746
Miscellaneous	-	-	596,484	27,695	-	-	3,503	45,451	10,418
Total revenues	<u>3,472,641</u>	<u>1,445,552</u>	<u>29,118,713</u>	<u>5,991,999</u>	<u>54,790,852</u>	<u>17,058,461</u>	<u>6,131,251</u>	<u>54,530</u>	<u>4,163,743</u>
Expenditures:									
Current:									
General government	3,083,632	1,626,944	-	5,863,250	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Law library operations	-	-	-	-	-	-	-	-	-
Highway and roads	-	-	33,421,782	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	16,993,991	-	-	-
Community development	-	-	-	-	-	-	5,851,991	-	3,991,308
Capital outlay:									
General government	1,265,017	-	-	795,357	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highway and roads	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	131,081
Interest	-	-	-	-	-	-	-	-	5,116
Issuance costs	-	-	-	-	-	-	-	-	-
Total expenditures	<u>4,348,649</u>	<u>1,626,944</u>	<u>33,421,782</u>	<u>6,658,607</u>	<u>-</u>	<u>16,993,991</u>	<u>5,851,991</u>	<u>-</u>	<u>4,127,505</u>
Excess (deficiency) of revenues over (under) expenditures	(876,008)	(181,392)	(4,303,069)	(666,608)	54,790,852	64,470	279,260	54,530	36,238
Other financing sources (uses):									
Proceeds from disposal of capital assets	-	-	-	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	7,085,474	-	-	-	-	-	-
Transfers out	-	-	-	-	(54,787,853)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,085,474</u>	<u>-</u>	<u>(54,787,853)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(876,008)	(181,392)	2,782,405	(666,608)	2,999	64,470	279,260	54,530	36,238
Fund balances, beginning of fiscal year	<u>2,317,945</u>	<u>518,385</u>	<u>11,038,700</u>	<u>1,534,949</u>	<u>1,349,564</u>	<u>12,056</u>	<u>905,985</u>	<u>2,019,681</u>	<u>3,544,341</u>
Fund balances, end of fiscal year	<u>\$ 1,441,937</u>	<u>\$ 336,993</u>	<u>\$ 13,821,105</u>	<u>\$ 868,341</u>	<u>\$ 1,352,563</u>	<u>\$ 76,526</u>	<u>\$ 1,185,245</u>	<u>\$ 2,074,211</u>	<u>\$ 3,580,579</u>

Special Revenue Funds				Capital Projects		Debt Service Funds		Total Nonmajor Governmental Funds
Sheriff Condemnations	Sheriff Special Programs	Law Library	Home Grant	Capital Improvements	Road Construction	Limited Obligation Refunding Debt	Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,434,234
-	-	-	1,011,681	-	7,409,389	-	2,316,327	38,339,999
-	-	-	-	-	-	-	-	827,443
500,690	257,820	275,846	-	-	-	-	-	1,034,356
-	-	-	-	-	1,304,551	-	-	3,809,338
-	3,396,961	-	-	-	-	-	-	3,396,961
3,802	2,029	179	21,904	-	210,175	75,462	-	488,676
-	175,262	-	176,574	76,932	96,865	-	-	1,209,184
504,492	3,832,072	276,025	1,210,159	76,932	9,020,980	75,462	2,316,327	139,540,191
-	-	-	-	6,184,701	-	-	-	16,758,527
342,762	3,867,429	-	-	1,321,229	-	-	-	5,531,420
-	-	180,259	-	-	-	-	-	180,259
-	-	-	-	-	5,114,125	-	-	38,535,907
-	-	-	-	-	-	-	-	16,993,991
-	-	-	1,021,113	-	-	-	-	10,864,412
-	-	-	-	1,701,088	-	-	-	3,761,462
-	-	-	-	2,226,621	-	-	-	2,226,621
-	-	-	-	-	19,172,428	-	-	19,172,428
-	-	-	-	1,640,154	210,085	12,220,000	18,140,000	32,341,320
-	-	-	-	274,132	22,403	14,184,638	4,189,502	18,675,791
-	-	-	-	-	1,286,267	-	-	1,286,267
342,762	3,867,429	180,259	1,021,113	13,347,925	25,805,308	26,404,638	22,329,502	166,328,405
161,730	(35,357)	95,766	189,046	(13,270,993)	(16,784,328)	(26,329,176)	(20,013,175)	(26,788,214)
-	-	-	-	386,427	218,394	-	-	604,821
-	-	-	-	-	66,335,000	-	-	66,335,000
-	-	-	-	-	4,447,245	-	-	4,447,245
-	-	-	-	35,850,252	14,600,681	27,658,500	19,846,000	105,040,907
-	-	-	-	-	-	-	-	(54,787,853)
-	-	-	-	36,236,679	85,601,320	27,658,500	19,846,000	121,640,120
161,730	(35,357)	95,766	189,046	22,965,686	68,816,992	1,329,324	(167,175)	94,851,906
1,332,970	4,582,992	890,211	5,031,639	3,236,925	1,372,769	10,184,869	181,502	50,055,483
\$ 1,494,700	\$ 4,547,635	\$ 985,977	\$ 5,220,685	\$ 26,202,611	\$ 70,189,761	\$ 11,514,193	\$ 14,327	\$ 144,907,389

**JEFFERSON COUNTY, ALABAMA
TAX ASSESSOR BIRMINGHAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,123,260	\$ 3,466,986	\$ 3,466,986	\$ -
Charges for services	-	5,655	5,655	-
Total revenues	<u>3,123,260</u>	<u>3,472,641</u>	<u>3,472,641</u>	<u>-</u>
Expenditures:				
Current:				
General government:				
Tax Assessor Birmingham				
Personnel costs	2,814,109	2,789,609	2,554,392	235,217
Other operating costs	550,412	583,607	529,240	54,367
Total general government	<u>3,364,521</u>	<u>3,373,216</u>	<u>3,083,632</u>	<u>289,584</u>
Capital outlay - general government	2,500,000	2,417,220	1,265,017	1,152,203
Total expenditures	<u>5,864,521</u>	<u>5,790,436</u>	<u>4,348,649</u>	<u>1,441,787</u>
Net changes in fund balances	(2,741,261)	(2,317,795)	(876,008)	1,441,787
Fund balances, beginning of fiscal year	<u>2,317,945</u>	<u>2,317,945</u>	<u>2,317,945</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ (423,316)</u>	<u>\$ 150</u>	<u>\$ 1,441,937</u>	<u>\$ 1,441,787</u>

JEFFERSON COUNTY, ALABAMA
TAX ASSESSOR BESSEMER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,423,527	\$ 1,444,059	\$ 1,444,059	\$ -
Charges for services	-	1,493	1,493	-
Total revenues	<u>1,423,527</u>	<u>1,445,552</u>	<u>1,445,552</u>	<u>-</u>
Expenditures:				
Current:				
General government:				
Tax Assessor Bessemer				
Personnel costs	1,679,625	1,679,625	1,521,727	157,898
Other operating costs	195,380	195,381	105,217	90,164
Total general government	<u>1,875,005</u>	<u>1,875,006</u>	<u>1,626,944</u>	<u>248,062</u>
Capital outlay - general government	60,000	60,000	-	60,000
Total expenditures	<u>1,935,005</u>	<u>1,935,006</u>	<u>1,626,944</u>	<u>308,062</u>
Net changes in fund balances	(511,478)	(489,454)	(181,392)	308,062
Fund balances, beginning of fiscal year	<u>518,385</u>	<u>518,385</u>	<u>518,385</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 6,907</u>	<u>\$ 28,931</u>	<u>\$ 336,993</u>	<u>\$ 308,062</u>

JEFFERSON COUNTY, ALABAMA
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 22,945,945	\$ 24,204,477	\$ 24,833,616	\$ 629,139
Intergovernmental	421,550	421,550	333,462	(88,088)
Licenses and permits	835,544	813,100	827,443	14,343
Charges for services	1,980,629	2,472,526	2,497,639	25,113
Interest income	-	-	30,069	30,069
Miscellaneous	-	-	596,484	596,484
Total revenues	<u>26,183,668</u>	<u>27,911,653</u>	<u>29,118,713</u>	<u>1,207,060</u>
Expenditures:				
Current:				
Highway and roads				
Roads				
Personnel costs	23,062,243	23,062,243	20,196,482	2,865,761
Other operating costs	10,206,899	13,831,808	13,225,300	606,508
Total expenditures	<u>33,269,142</u>	<u>36,894,051</u>	<u>33,421,782</u>	<u>3,472,269</u>
Deficiency of revenues under expenditures	(7,085,474)	(8,982,398)	(4,303,069)	4,679,329
Other financing sources:				
Transfers in	7,085,474	7,085,474	7,085,474	-
Total other financing sources	<u>7,085,474</u>	<u>7,085,474</u>	<u>7,085,474</u>	<u>-</u>
Net changes in fund balances	-	(1,896,924)	2,782,405	4,679,329
Fund balances, beginning of fiscal year	<u>11,038,700</u>	<u>11,038,700</u>	<u>11,038,700</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 11,038,700</u>	<u>\$ 9,141,776</u>	<u>\$ 13,821,105</u>	<u>\$ 4,679,329</u>

JEFFERSON COUNTY, ALABAMA
BOARD OF EQUALIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 5,815,491	\$ 5,964,304	\$ 5,964,304	\$ -
Miscellaneous	-	27,695	27,695	-
Total revenues	<u>5,815,491</u>	<u>5,991,999</u>	<u>5,991,999</u>	<u>-</u>
Expenditures:				
Current:				
General government:				
Board of Equalization				
Personnel costs	5,863,134	5,287,134	4,803,182	483,952
Other operating costs	1,377,023	1,156,846	1,060,068	96,778
Total general government	<u>7,240,157</u>	<u>6,443,980</u>	<u>5,863,250</u>	<u>580,730</u>
Capital outlay - general government	225,000	1,021,176	795,357	225,819
Total expenditures	<u>7,465,157</u>	<u>7,465,156</u>	<u>6,658,607</u>	<u>806,549</u>
Net changes in fund balances	(1,649,666)	(1,473,157)	(666,608)	806,549
Fund balances, beginning of fiscal year	<u>1,534,949</u>	<u>1,534,949</u>	<u>1,534,949</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ (114,717)</u>	<u>\$ 61,792</u>	<u>\$ 868,341</u>	<u>\$ 806,549</u>

**JEFFERSON COUNTY, ALABAMA
BRIDGE AND PUBLIC BUILDINGS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 53,437,853	\$ 54,788,289	\$ 54,725,269	\$ (63,020)
Interest income	-	-	65,583	65,583
Total revenues	<u>53,437,853</u>	<u>54,788,289</u>	<u>54,790,852</u>	<u>2,563</u>
Other financing uses:				
Transfers out	-	(54,787,853)	(54,787,853)	-
Total other financing uses	<u>-</u>	<u>(54,787,853)</u>	<u>(54,787,853)</u>	<u>-</u>
Net changes in fund balances	53,437,853	436	2,999	2,563
Fund balances, beginning of fiscal year	<u>1,349,564</u>	<u>1,349,564</u>	<u>1,349,564</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 54,787,417</u>	<u>\$ 1,350,000</u>	<u>\$ 1,352,563</u>	<u>\$ 2,563</u>

JEFFERSON COUNTY, ALABAMA
EMERGENCY RENTAL ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 24,236,532	\$ 24,236,532	\$ 16,993,991	\$ (7,242,541)
Interest income	-	-	64,470	64,470
Total revenues	<u>24,236,532</u>	<u>24,236,532</u>	<u>17,058,461</u>	<u>(7,178,071)</u>
Expenditures:				
Current:				
Health and welfare				
Emergency rental assistance				
Grant payments	24,246,389	24,246,389	16,993,991	7,252,398
Total expenditures	<u>24,246,389</u>	<u>24,246,389</u>	<u>16,993,991</u>	<u>7,252,398</u>
Net changes in fund balances	(9,857)	(9,857)	64,470	74,327
Fund balances, beginning of fiscal year	<u>12,056</u>	<u>12,056</u>	<u>12,056</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 2,199</u>	<u>\$ 2,199</u>	<u>\$ 76,526</u>	<u>\$ 74,327</u>

**JEFFERSON COUNTY, ALABAMA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,750,144	\$ 5,851,991	\$ 6,126,570	\$ 274,579
Interest income	-	-	1,178	1,178
Miscellaneous	-	-	3,503	3,503
Total revenues	<u>2,750,144</u>	<u>5,851,991</u>	<u>6,131,251</u>	<u>279,260</u>
Expenditures:				
Current:				
Community development				
Community development				
Personnel costs	1,860,969	1,860,970	1,860,970	-
Other operating costs	889,175	3,991,021	3,991,021	-
Total expenditures	<u>2,750,144</u>	<u>5,851,991</u>	<u>5,851,991</u>	<u>-</u>
Net changes in fund balances	-	-	279,260	279,260
Fund balances, beginning of fiscal year	<u>905,985</u>	<u>905,985</u>	<u>905,985</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 905,985</u>	<u>\$ 905,985</u>	<u>\$ 1,185,245</u>	<u>\$ 279,260</u>

**JEFFERSON COUNTY, ALABAMA
COMMUNITY DEVELOPMENT LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 9,079	\$ 9,079
Miscellaneous	-	-	45,451	45,451
Total revenues	-	-	54,530	54,530
Fund balances, beginning of fiscal year	2,019,681	2,019,681	2,019,681	-
Fund balances, end of fiscal year	<u>\$ 2,019,681</u>	<u>\$ 2,019,681</u>	<u>\$ 2,074,211</u>	<u>\$ 54,530</u>

**JEFFERSON COUNTY, ALABAMA
WORKFORCE DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,072,207	\$ 5,072,207	\$ 4,148,579	\$ (923,628)
Interest income	-	-	4,746	4,746
Miscellaneous	-	-	10,418	10,418
Total revenues	<u>5,072,207</u>	<u>5,072,207</u>	<u>4,163,743</u>	<u>(908,464)</u>
Expenditures:				
Current:				
Community development				
Workforce development				
Personnel costs	1,511,722	1,511,722	1,317,161	194,561
Other operating costs	3,560,485	4,027,507	2,674,147	1,353,360
Total community development	<u>5,072,207</u>	<u>5,539,229</u>	<u>3,991,308</u>	<u>1,547,921</u>
Debt service:				
Principal	-	131,081	131,081	-
Interest	-	5,116	5,116	-
Total expenditures	<u>5,072,207</u>	<u>5,675,426</u>	<u>4,127,505</u>	<u>1,547,921</u>
Net changes in fund balances	-	(603,219)	36,238	639,457
Fund balances, beginning of fiscal year	<u>3,544,341</u>	<u>3,544,341</u>	<u>3,544,341</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 3,544,341</u>	<u>\$ 2,941,122</u>	<u>\$ 3,580,579</u>	<u>\$ 639,457</u>

JEFFERSON COUNTY, ALABAMA
SHERIFF CONDEMNATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 500,690	\$ 500,690	\$ 500,690	\$ -
Interest income	3,802	3,802	3,802	-
Total revenues	<u>504,492</u>	<u>504,492</u>	<u>504,492</u>	<u>-</u>
Expenditures:				
Current:				
Public safety				
Sheriff condemnations				
Other operating costs	<u>342,762</u>	<u>342,762</u>	<u>342,762</u>	<u>-</u>
Total expenditures	<u>342,762</u>	<u>342,762</u>	<u>342,762</u>	<u>-</u>
Net changes in fund balances	161,730	161,730	161,730	-
Fund balances, beginning of fiscal year	<u>1,332,970</u>	<u>1,332,970</u>	<u>1,332,970</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 1,494,700</u>	<u>\$ 1,494,700</u>	<u>\$ 1,494,700</u>	<u>\$ -</u>

**JEFFERSON COUNTY, ALABAMA
SHERIFF SPECIAL PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 257,820	\$ 257,820	\$ 257,820	\$ -
Contributions and donations	3,396,961	3,396,961	3,396,961	-
Interest income	2,029	2,029	2,029	-
Miscellaneous	175,262	175,262	175,262	-
Total revenues	<u>3,832,072</u>	<u>3,832,072</u>	<u>3,832,072</u>	<u>-</u>
Expenditures:				
Current:				
Public safety				
Sheriff special programs				
Other operating costs	3,867,429	3,867,429	3,867,429	-
Total expenditures	<u>3,867,429</u>	<u>3,867,429</u>	<u>3,867,429</u>	<u>-</u>
Net changes in fund balances	(35,357)	(35,357)	(35,357)	-
Fund balances, beginning of fiscal year	<u>4,582,992</u>	<u>4,582,992</u>	<u>4,582,992</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 4,547,635</u>	<u>\$ 4,547,635</u>	<u>\$ 4,547,635</u>	<u>\$ -</u>

JEFFERSON COUNTY, ALABAMA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 275,846	\$ 275,846	\$ 275,846	\$ -
Interest income	179	179	179	-
Total revenues	<u>276,025</u>	<u>276,025</u>	<u>276,025</u>	<u>-</u>
Expenditures:				
Current:				
Law library operations				
Law library				
Other operating costs	180,259	180,259	180,259	-
Total expenditures	<u>180,259</u>	<u>180,259</u>	<u>180,259</u>	<u>-</u>
Net changes in fund balances	95,766	95,766	95,766	-
Fund balances, beginning of fiscal year	<u>890,211</u>	<u>890,211</u>	<u>890,211</u>	<u>-</u>
Fund balances, end of fiscal year	<u><u>\$ 985,977</u></u>	<u><u>\$ 985,977</u></u>	<u><u>\$ 985,977</u></u>	<u><u>\$ -</u></u>

**JEFFERSON COUNTY, ALABAMA
HOME GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,877,958	\$ 9,467,943	\$ 1,011,681	\$ (8,456,262)
Interest income	-	-	21,904	21,904
Miscellaneous	-	-	176,574	176,574
Total revenues	<u>4,877,958</u>	<u>9,467,943</u>	<u>1,210,159</u>	<u>(8,257,784)</u>
Expenditures:				
Current:				
Community development				
Home grant				
Personnel costs	79,293	79,293	169,416	(90,123)
Other operating costs	915,290	938,616	851,697	86,919
Total expenditures	<u>994,583</u>	<u>1,017,909</u>	<u>1,021,113</u>	<u>(3,204)</u>
Net changes in fund balances	3,883,375	8,450,034	189,046	(8,254,580)
Fund balances, beginning of fiscal year	<u>5,031,639</u>	<u>5,031,639</u>	<u>5,031,639</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 8,915,014</u>	<u>\$ 13,481,673</u>	<u>\$ 5,220,685</u>	<u>\$ (8,254,580)</u>

JEFFERSON COUNTY, ALABAMA
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 76,932	\$ 76,932
Total revenues	<u>-</u>	<u>-</u>	<u>76,932</u>	<u>76,932</u>
Expenditures:				
Current:				
General government:				
Board of Equalization				
Other operating costs	32,017	32,017	32,017	-
Finance				
Other operating costs	9,232	9,232	9,232	-
General services				
Other operating costs	6,026,348	6,026,348	6,026,348	-
Information technology				
Other operating costs	117,104	117,104	117,104	-
Total current - general government	6,184,701	6,184,701	6,184,701	-
Public safety:				
Sheriff				
Other operating costs	1,321,229	1,321,229	1,321,229	-
Total current - public safety	1,321,229	1,321,229	1,321,229	-
Capital Outlay:				
General government				
Board of Equalization	337,983	337,983	-	337,983
District Attorney - Birmingham	70,000	100,000	-	100,000
Development services	330,000	469,899	446,415	23,484
Finance	40,768	10,768	-	10,768
Fleet management	736,000	912,621	502,222	410,399
Information technology	238,896	578,056	195,206	382,850
General services	19,960,652	21,041,502	495,677	20,545,825
Revenue department	-	61,568	61,568	-
Total capital outlay - general government	21,714,299	23,512,397	1,701,088	21,811,309
Public safety				
Coroner	392,929	476,964	265,987	210,977
Security	31,209	31,209	31,004	205
Sheriff	4,291,599	5,646,391	1,929,630	3,716,761
Total capital outlay - public safety	4,715,737	6,154,564	2,226,621	3,927,943
Debt service:				
Principal	1,640,154	1,640,154	1,640,154	-
Interest	274,132	274,132	274,132	-
Total debt service	1,914,286	1,914,286	1,914,286	-
Total expenditures	35,850,252	39,087,177	13,347,925	25,739,252
Deficiency of revenue under expenditures	(35,850,252)	(39,087,177)	(13,270,993)	25,816,184
Other financing sources				
Proceeds from disposal of capital assets	-	-	386,427	386,427
Transfers in	35,850,252	35,850,252	35,850,252	-
Total other financing sources	35,850,252	35,850,252	36,236,679	386,427
Net change in fund balances	-	(3,236,925)	22,965,686	26,202,611
Fund balances, beginning of fiscal year	3,236,925	3,236,925	3,236,925	-
Fund balances, end of fiscal year	\$ 3,236,925	\$ -	\$ 26,202,611	\$ 26,202,611

JEFFERSON COUNTY, ALABAMA
ROAD CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,300,000	\$ 9,239,375	\$ 7,409,389	\$ (1,829,986)
Charges for services	-	-	1,304,551	1,304,551
Interest income	-	-	210,175	210,175
Miscellaneous	-	-	96,865	96,865
Total revenues	<u>3,300,000</u>	<u>9,239,375</u>	<u>9,020,980</u>	<u>(218,395)</u>
Expenditures:				
Current:				
Highway and roads				
Roads and transportation				
Other operating costs	-	5,114,125	5,114,125	-
Total current - highway and roads	<u>-</u>	<u>5,114,125</u>	<u>5,114,125</u>	<u>-</u>
Capital Outlay:				
Highway and roads	15,031,924	19,172,428	19,172,428	-
Debt service:				
Principal	210,085	210,085	210,085	-
Interest	22,403	22,403	22,403	-
Issuance costs	1,286,267	1,286,267	1,286,267	-
Total debt service	<u>1,518,755</u>	<u>1,518,755</u>	<u>1,518,755</u>	<u>-</u>
Total expenditures	<u>16,550,679</u>	<u>25,805,308</u>	<u>25,805,308</u>	<u>-</u>
Deficiency of revenue under expenditures	(13,250,679)	(16,565,933)	(16,784,328)	(218,395)
Other financing sources				
Proceeds from disposal of capital assets	-	-	218,394	218,394
Issuance of bonds	-	-	66,335,000	66,335,000
Premium on debt	-	-	4,447,245	4,447,245
Transfers in	14,600,681	14,600,681	14,600,681	-
Total other financing sources	<u>14,600,681</u>	<u>14,600,681</u>	<u>85,601,320</u>	<u>71,000,639</u>
Net change in fund balances	1,350,002	(1,965,252)	68,816,992	70,782,244
Fund balances, beginning of fiscal year	<u>1,372,769</u>	<u>1,372,769</u>	<u>1,372,769</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 2,722,771</u>	<u>\$ (592,483)</u>	<u>\$ 70,189,761</u>	<u>\$ -</u>

JEFFERSON COUNTY, ALABAMA
LIMITED OBLIGATION REFUNDING DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 75,462	\$ 75,462
Total revenues	-	-	75,462	75,462
Expenditures:				
Debt service:				
Principal	12,220,000	12,220,000	12,220,000	-
Interest	14,184,638	14,184,638	14,184,638	-
Total expenditures	26,404,638	26,404,638	26,404,638	-
Deficiency of revenues under expenditures	(26,404,638)	(26,404,638)	(26,329,176)	75,462
Other financing sources:				
Transfers in	26,404,638	27,658,500	27,658,500	-
Total other financing sources	26,404,638	27,658,500	27,658,500	-
Net changes in fund balances	-	1,253,862	1,329,324	75,462
Fund balances, beginning of fiscal year	10,184,869	10,184,869	10,184,869	-
Fund balances, end of fiscal year	<u>\$ 10,184,869</u>	<u>\$ 11,438,731</u>	<u>\$ 11,514,193</u>	<u>\$ 75,462</u>

JEFFERSON COUNTY, ALABAMA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,466,000	\$ 2,466,000	\$ 2,316,327	\$ (149,673)
Total revenues	<u>2,466,000</u>	<u>2,466,000</u>	<u>2,316,327</u>	<u>(149,673)</u>
Expenditures:				
Debt service:				
Principal	18,140,000	18,140,000	18,140,000	-
Interest	4,172,000	4,189,502	4,189,502	-
Total expenditures	<u>22,312,000</u>	<u>22,329,502</u>	<u>22,329,502</u>	<u>-</u>
Deficiency of revenues under expenditures	(19,846,000)	(19,863,502)	(20,013,175)	(149,673)
Other financing sources:				
Transfers in	19,846,000	19,846,000	19,846,000	-
Total other financing sources	<u>19,846,000</u>	<u>19,846,000</u>	<u>19,846,000</u>	<u>-</u>
Net changes in fund balances	-	(17,502)	(167,175)	(149,673)
Fund balances, beginning of fiscal year	<u>181,502</u>	<u>181,502</u>	<u>181,502</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 181,502</u>	<u>\$ 164,000</u>	<u>\$ 14,327</u>	<u>\$ (149,673)</u>

NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

Landfill Operations Fund - to account for the activities of the County's landfill.

Hallmark Farms Cooperative - to account for activities of the County's cooperative agreement with the City of Warrior, Alabama.

JEFFERSON COUNTY, ALABAMA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2022

ASSETS	Landfill Operations	Hallmark Farms Cooperative	Nonmajor Proprietary Total
Current assets:			
Cash and cash equivalents	\$ 839,270	\$ 4,147,396	\$ 4,986,666
Receivables, net	285,371	-	285,371
Leases receivable	10,025,515	-	10,025,515
Restricted assets:			
Cash	219,127	305,938	525,065
Total current assets	<u>11,369,283</u>	<u>4,453,334</u>	<u>15,822,617</u>
Capital assets:			
Capital assets, not being depreciated	7,907,361	6,203,677	14,111,038
Capital assets, being depreciated	50,842,198	2,423,143	53,265,341
Less accumulated depreciation	(45,509,841)	(206,977)	(45,716,818)
Total capital assets, net of accumulated depreciation	<u>13,239,718</u>	<u>8,419,843</u>	<u>21,659,561</u>
Total noncurrent assets	13,239,718	8,419,843	21,659,561
Total assets	<u>24,609,001</u>	<u>12,873,177</u>	<u>37,482,178</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	46,333	46,333
Total deferred outflows of resources	<u>-</u>	<u>46,333</u>	<u>46,333</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,387	5,926	10,313
Accrued interest	-	91,588	91,588
Bonds payable, current	-	863,802	863,802
Total current liabilities	<u>4,387</u>	<u>961,316</u>	<u>965,703</u>
Long-term liabilities:			
Landfill postclosure	19,394,310	-	19,394,310
Advances from other funds	2,871,682	-	2,871,682
Bonds payable	-	11,089,448	11,089,448
Total long-term liabilities	<u>22,265,992</u>	<u>11,089,448</u>	<u>33,355,440</u>
Total liabilities	<u>22,270,379</u>	<u>12,050,764</u>	<u>34,321,143</u>
DEFERRED INFLOWS OF RESOURCES			
Lease arrangements	9,911,061	-	9,911,061
Total deferred inflows of resources	<u>9,911,061</u>	<u>-</u>	<u>9,911,061</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	13,239,718	586,218	13,825,936
Unrestricted (deficit)	(20,812,157)	282,528	(20,529,629)
Total net position (deficit)	<u>\$ (7,572,439)</u>	<u>\$ 868,746</u>	<u>\$ (6,703,693)</u>

JEFFERSON COUNTY, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>Landfill Operations</u>	<u>Hallmark Farms Cooperative</u>	<u>Nonmajor Proprietary Total</u>
OPERATING REVENUES			
Charges for services:			
Other	\$ 1,381,037	\$ 3,000	\$ 1,384,037
Total operating revenues	<u>1,381,037</u>	<u>3,000</u>	<u>1,384,037</u>
OPERATING EXPENSES			
Maintenance and operating expenses	2,352,405	78,789	2,431,194
Depreciation expense	<u>1,761,978</u>	<u>60,579</u>	<u>1,822,557</u>
Total operating expenses	<u>4,114,383</u>	<u>139,368</u>	<u>4,253,751</u>
Operating loss	(2,733,346)	(136,368)	(2,869,714)
NONOPERATING REVENUE (EXPENSES)			
Investment earnings	309,934	415	310,349
Interest expense	-	<u>(377,083)</u>	<u>(377,083)</u>
Total nonoperating revenues (expenses)	<u>309,934</u>	<u>(376,668)</u>	<u>(66,734)</u>
LOSS BEFORE TRANSFERS	(2,423,412)	(513,036)	(2,936,448)
Transfers in	-	<u>1,217,983</u>	<u>1,217,983</u>
Change in net position	(2,423,412)	704,947	(1,718,465)
NET POSITION, beginning of fiscal year	<u>(5,149,027)</u>	<u>163,799</u>	<u>(4,985,228)</u>
NET POSITION, end of fiscal year	<u>\$ (7,572,439)</u>	<u>\$ 868,746</u>	<u>\$ (6,703,693)</u>

JEFFERSON COUNTY, ALABAMA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Landfill Operations	Hallmark Farms Cooperative	Nonmajor Proprietary Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ 3,000	\$ 3,000
Lease receipts from landfill operator	633,551	-	633,551
Other receipts from landfill operator	634,773	-	634,773
Payments to suppliers and service providers	(21,066)	(72,863)	(93,929)
Net cash provided by (used in) operating activities	1,247,258	(69,863)	1,177,395
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	1,217,983	1,217,983
Net cash provided by noncapital financing activities	-	1,217,983	1,217,983
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(60,387)	(60,387)
Principal payments on bonds	-	(838,650)	(838,650)
Repayment of interfund advance	(717,921)	-	(717,921)
Interest and fiscal charges paid	-	(379,566)	(379,566)
Net cash used in capital and related financing activities	(717,921)	(1,278,603)	(1,996,524)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	309,934	415	310,349
Net cash provided by investing activities	309,934	415	310,349
Net increase (decrease) in cash and cash equivalents	839,271	(130,068)	709,203
Cash and cash equivalents:			
Beginning of fiscal year	219,126	4,583,402	4,802,528
End of fiscal year	<u>\$ 1,058,397</u>	<u>\$ 4,453,334</u>	<u>\$ 5,511,731</u>
Classified as:			
Cash and cash equivalents	\$ 839,270	\$ 4,147,396	\$ 4,986,666
Restricted cash and cash equivalents	219,127	305,938	525,065
Total	<u>\$ 1,058,397</u>	<u>\$ 4,453,334</u>	<u>\$ 5,511,731</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (2,733,346)	\$ (136,368)	\$ (2,869,714)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,761,978	60,579	1,822,557
Amortization of deferred inflows of resources - lease arrangements	(114,454)	-	(114,454)
Decrease in accounts receivable	1,741	-	1,741
Increase (decrease) in accounts payable	2,671	5,926	8,597
Increase in landfill postclosure care costs	2,328,668	-	2,328,668
Net cash provided by (used in) operating activities	<u>\$ 1,247,258</u>	<u>\$ (69,863)</u>	<u>\$ 1,177,395</u>

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

Tax Collector - to account for the collection of all property taxes which are disbursed to other taxing units and other parties.

Department of Revenue - to account for the collection of various taxes and fees, which are disbursed to other taxing units and other parties.

Treasurer's Trust - to account for the collection of funds held by the Treasurer, which are disbursed to other entities or other County parties for specified legal purposes and requirements.

Sheriff - to account for collection of cash bonds, fines, forfeitures and other fees, which are disbursed to other parties.

The following custodial funds are used to account for taxes, fines, fees and other moneys collected by the courts and remitted to other parties in accordance with court orders and state law:

Family Court
Probate Court

JEFFERSON COUNTY, ALABAMA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

ASSETS	Tax Collector	Department of Revenue	Treasurer's Trust	Sheriff	Family Court	Probate Court	Total
Cash and cash equivalents	\$ 29,491,865	\$ 43,732,195	\$ 14,474,600	\$ 2,685,835	\$ 503,678	\$ 18,216,949	\$ 109,105,122
Total assets	<u>29,491,865</u>	<u>43,732,195</u>	<u>14,474,600</u>	<u>2,685,835</u>	<u>503,678</u>	<u>18,216,949</u>	<u>109,105,122</u>
LIABILITIES							
Due to others	<u>4,735,157</u>	<u>43,732,195</u>	<u>7,867,672</u>	<u>86,510</u>	<u>458,853</u>	<u>7,156,495</u>	<u>64,036,882</u>
Total liabilities	<u>4,735,157</u>	<u>43,732,195</u>	<u>7,867,672</u>	<u>86,510</u>	<u>458,853</u>	<u>7,156,495</u>	<u>64,036,882</u>
NET POSITION							
Restricted:							
Individuals, organizations, and other governments	<u>24,756,708</u>	<u>-</u>	<u>6,606,928</u>	<u>2,599,325</u>	<u>44,825</u>	<u>11,060,454</u>	<u>45,068,240</u>
Total net position	<u>\$ 24,756,708</u>	<u>\$ -</u>	<u>\$ 6,606,928</u>	<u>\$ 2,599,325</u>	<u>\$ 44,825</u>	<u>\$ 11,060,454</u>	<u>\$ 45,068,240</u>

**JEFFERSON COUNTY, ALABAMA
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Tax Collector	Department of Revenue	Treasurer's Trust	Sheriff	Family Court	Probate Court	Total
ADDITIONS							
Taxes	\$ 630,620,068	\$ 456,287,506	\$ -	\$ -	\$ -	\$ -	\$ 1,086,907,574
Fines and fees	-	43,136,516	8,449,061	2,087,477	3,523,392	28,389,397	85,585,843
Criminal and civil bonds	-	-	423,615	-	-	-	423,615
Interest & Miscellaneous	-	-	25,795	-	-	-	25,795
Total additions	<u>630,620,068</u>	<u>499,424,022</u>	<u>8,898,471</u>	<u>2,087,477</u>	<u>3,523,392</u>	<u>28,389,397</u>	<u>1,172,942,827</u>
DEDUCTIONS							
Taxes distributed to other governments	622,249,547	456,287,506	-	-	-	-	1,078,537,053
Fines and fees disbursed	-	43,136,516	7,908,601	1,942,292	3,533,452	26,192,316	82,713,177
Other custodial disbursements	-	-	22,575	-	-	-	22,575
Total deductions	<u>622,249,547</u>	<u>499,424,022</u>	<u>7,931,176</u>	<u>1,942,292</u>	<u>3,533,452</u>	<u>26,192,316</u>	<u>1,161,272,805</u>
Net increase (decrease) in fiduciary net position	8,370,521	-	967,295	145,185	(10,060)	2,197,081	11,670,022
Net position, beginning of fiscal year, as restated	<u>16,386,187</u>	<u>-</u>	<u>5,639,633</u>	<u>2,454,140</u>	<u>54,885</u>	<u>8,863,373</u>	<u>33,398,218</u>
Net position, end of fiscal year	<u>\$ 24,756,708</u>	<u>\$ -</u>	<u>\$ 6,606,928</u>	<u>\$ 2,599,325</u>	<u>\$ 44,825</u>	<u>\$ 11,060,454</u>	<u>\$ 45,068,240</u>

COMPONENT UNITS

JEFFERSON COUNTY, ALABAMA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - PERSONNEL BOARD
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Personnel Board
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 9,539,198
Payments to suppliers and service providers	(1,784,866)
Payments to employees	(7,654,883)
	99,449
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,013
	1,013
Net increase in cash and cash equivalents	100,462
Cash and cash equivalents:	
Beginning of fiscal year	270,049
End of fiscal year	\$ 370,511
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,252,033
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	19,969
Decrease in accounts receivable	358,150
Increase in net pension asset	(5,686,159)
Increase in deferred outflows from pension	(607,988)
Increase in deferred outflows from OPEB	(60,473)
Decrease in accounts payable	(58,943)
Decrease in accrued liabilities	(210,503)
Decrease in compensated absences	(57,985)
Increase in total OPEB liability	139,220
Increase in deferred intflows from pension	5,049,171
Decrease in deferred intflows from OPEB	(37,043)
	99,449
Net cash provided by operating activities	\$ 99,449

JEFFERSON COUNTY, ALABAMA
BALANCE SHEET
COMPONENT UNIT - EMERGENCY MANAGEMENT AGENCY
SEPTEMBER 30, 2022

ASSETS		
Cash and cash equivalents		\$ 797,252
Receivables, net of allowance		178,451
Total assets		975,703
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable		\$ 20,489
Accrued liabilities		22,713
Total liabilities		43,202
FUND BALANCE		
Unassigned		932,501
Total liabilities and fund balance		\$ 975,703

**JEFFERSON COUNTY, ALABAMA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - EMERGENCY MANAGEMENT AGENCY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

REVENUES

Intergovernmental	\$	232,018
Charges for services		892,799
Interest income		1,108
Miscellaneous		358,410
Total revenues		1,484,335

EXPENDITURES

Current:

Public safety		1,594,903
Capital outlay		34,332
Total expenditures		1,629,235

Net change in fund balances		(144,900)
-----------------------------	--	-----------

Fund balances, beginning of fiscal year		1,077,401
--	--	-----------

Fund balances, end of fiscal year	\$	932,501
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JEFFERSON COUNTY, ALABAMA
COMBINING BALANCE SHEET
GENERAL FUND BY CATEGORY
SEPTEMBER 30, 2022

ASSETS	General Fund	Uncertainty Fund	Catastrophic Fund	Budget Stabilization Fund	Economic Development Fund	Total General Fund
Cash and cash equivalents	\$ 86,711,770	\$ 20,112,020	\$ 20,069,070	\$ 20,037,696	\$ 31,548,771	\$ 178,479,327
Investments	52,893,152	-	-	-	-	52,893,152
Accounts receivable, net	8,055,584	-	-	-	840,000	8,895,584
Taxes receivable	86,454,024	-	-	-	-	86,454,024
Intergovernmental receivables	2,695,263	-	-	-	-	2,695,263
Interest receivable	262,614	-	-	-	-	262,614
Leases receivable	2,090,192	-	-	-	-	2,090,192
Due from other funds	53,790,812	-	-	-	-	53,790,812
Prepaid items	278,637	-	-	-	-	278,637
Restricted assets:						
Cash	6,124,077	-	-	-	-	6,124,077
Investments	5,947,407	-	-	-	-	5,947,407
Loan receivable from component unit	28,819,142	-	-	-	-	28,819,142
Total assets	\$ 334,122,674	\$ 20,112,020	\$ 20,069,070	\$ 20,037,696	\$ 32,388,771	\$ 426,730,231
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 5,157,627	\$ -	\$ -	\$ -	\$ -	\$ 5,157,627
Retainage payable	20,028	-	-	-	-	20,028
Due to other governments	8,060,570	-	-	-	-	8,060,570
Accrued payroll and benefits	5,439,937	-	-	-	-	5,439,937
Total liabilities	18,678,162	-	-	-	-	18,678,162
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue - property taxes	69,094,296	-	-	-	-	69,094,296
Lease arrangements	2,083,357	-	-	-	-	2,083,357
Total deferred inflows of resources	71,177,653	-	-	-	-	71,177,653
FUND BALANCES						
Fund balances:						
Nonspendable:						
Leases	6,835	-	-	-	-	6,835
Prepaid items	278,637	-	-	-	-	278,637
Loan receivable from component unit	28,819,142	-	-	-	-	28,819,142
Restricted:						
Landfill assurance	6,786,866	-	-	-	-	6,786,866
Unsecured claims	5,306,897	-	-	-	-	5,306,897
Assigned:						
Budget reserve	-	-	-	20,037,696	-	20,037,696
Uncertainty reserve	-	20,112,020	-	-	-	20,112,020
Catastrophic reserve	-	-	20,069,070	-	-	20,069,070
Economic development	-	-	-	-	32,388,771	32,388,771
Unassigned	203,068,482	-	-	-	-	203,068,482
Total fund balances	244,266,859	20,112,020	20,069,070	20,037,696	32,388,771	336,874,416
Total liabilities, deferred inflows of resources and fund balances	\$ 334,122,674	\$ 20,112,020	\$ 20,069,070	\$ 20,037,696	\$ 32,388,771	\$ 426,730,231

JEFFERSON COUNTY, ALABAMA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GENERAL FUND BY CATEGORY
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Uncertainty Fund	Catastrophic Fund	Budget Stabilization Fund	Economic Development Fund	Total General Fund
Revenues:						
Taxes	\$ 134,237,100	\$ -	\$ -	\$ -	\$ -	\$ 134,237,100
Licenses and permits	16,138,200	-	-	-	-	16,138,200
Intergovernmental	9,526,129	-	-	-	-	9,526,129
Charges for services	43,865,313	-	-	-	-	43,865,313
Interest income	278,299	36,491	14,182	33,334	-	362,306
Miscellaneous	2,508,196	-	-	-	-	2,508,196
Total revenues	<u>206,553,237</u>	<u>36,491</u>	<u>14,182</u>	<u>33,334</u>	<u>-</u>	<u>206,637,244</u>
Expenditures:						
Current:						
General government	124,381,884	-	-	-	1,941,100	126,322,984
Public safety	91,723,031	-	-	-	-	91,723,031
Health and welfare	929,546	-	-	-	-	929,546
Debt service:						
Principal	349,264	-	-	-	365,300	711,085
Interest	92,285	-	-	-	634,700	730,464
Total expenditures	<u>217,476,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,941,100</u>	<u>220,417,110</u>
Excess (deficiency) of revenues over (under) expenditures	(10,922,773)	36,491	14,182	33,334	(2,941,100)	(13,779,866)
Other financing sources (uses):						
Proceeds from sale of capital assets	384,456	-	-	-	-	384,456
Transfers in	65,226,160	5,000,000	5,000,000	5,000,000	10,000,000	90,226,160
Transfers out	(25,489,623)	-	-	-	(1,217,983)	(26,707,606)
Total other financing sources (uses)	<u>40,120,993</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>8,782,017</u>	<u>63,903,010</u>
Net change in fund balances	29,198,220	5,036,491	5,014,182	5,033,334	5,840,917	50,123,144
Fund balances, beginning of fiscal year	<u>215,068,639</u>	<u>15,075,529</u>	<u>15,054,888</u>	<u>15,004,362</u>	<u>26,547,854</u>	<u>286,751,272</u>
Fund balances, end of fiscal year	<u>\$ 244,266,859</u>	<u>\$ 20,112,020</u>	<u>\$ 20,069,070</u>	<u>\$ 20,037,696</u>	<u>\$ 32,388,771</u>	<u>\$ 336,874,416</u>

STATISTICAL SECTION



STATISTICAL SECTION

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

Table

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant fiscal year.

STATISTICAL SECTION

Table

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

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Operating Information

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

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Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant fiscal year.

FINANCIAL TRENDS
Schedule 1 - Net Position by Component
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

JCCAL Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net Investment in Capital Assets	\$263,507	\$261,597	\$266,377	\$276,510	\$279,420	\$326,326	\$355,613	\$362,091	\$(58,408) ²	\$(19,809)
Restricted	224,766	229,802	229,372	305,345	171,381	181,451	203,557	173,161	150,430	69,088 ⁴
Unrestricted	(848,103)	(746,541)	(575,062)	(585,981)	(458,165)	(529,886)	(486,754)	(371,967)	186,651	365,458
Total Governmental Activities Net Position	(359,830)	(255,142)	(79,313)	(4,126)	(7,364)	(22,109)	72,416	163,285	278,673³	414,737
Business-Type Activities:										
Net Investment in Capital Assets	(108,422)	1,017,057 ¹	999,736	535,762	419,372	307,447	181,147	398,998	235,654	164,383
Restricted	149,080	274,382	320,525	368,329	377,618	369,012	394,063	21,165	471,373	466,193
Unrestricted	(324,921)	(332,239)	(361,931)	(57,794)	(54,792)	(61,335)	(60,587)	(20,057)	(432,880)	(513,096)
Total Business-Type Activities Net Position	(284,263)	959,200	958,330	846,297	742,198	615,124	514,623	400,106	274,147³	117,480
Primary Government:										
Net Investment in Capital Assets	155,085	1,278,654	1,266,113	812,272	698,792	633,773	536,760	761,089	177,246	144,574
Restricted	373,846	504,184	549,897	673,674	548,999	550,463	597,620	194,326	621,803	535,281
Unrestricted	(1,173,024)	(1,078,780)	(936,993)	(643,775)	(512,957)	(591,221)	(547,341)	(392,024)	(246,229)	(147,638)
Total Primary Government Net Position	\$ (644,093)	\$ 704,058	\$ 879,017	\$ 842,171	\$ 734,834	\$ 593,015	\$ 587,039	\$ 563,391	\$ 552,820³	\$ 532,217

Source: JCC Finance Department Data

¹ The increase in the Net Investment in Capital Assets was associated with the Sanitary Operations Fund reporting a \$1.3 billion increase over the prior year Net Position at September 30, 2013 of (\$334.0) million. Additional data associated with Jefferson County restructuring is reported in the FY2014 Audit Report.

² The calculation for the County's net investment in capital assets was revised in fiscal year 2021 to appropriately include offsets to the capital asset balances of approximately \$372.5 million, as follows: financed purchases payable (approximately \$7.4 million), warrants payable (approximately \$415.8 million), gain on refunding (approximately \$7.0 million), and retainage payable (approximately \$0.7 million).

³ During fiscal year 2021, restatements to beginning net position of governmental and business-type activities were required to accurately state balances and activity as of and for the year ended September 30, 2021. These restatements were necessary to accurately present the effects of financing activities (approximately \$17.1 million decrease), to accurately report the activities of the Jefferson County Economic and Industrial Development Authority, which prior to fiscal year 2021 was reported as a blended component unit in the business-type activities (approximately \$2.2 million increase), and to accurately report approximately \$0.4 million in amounts previously reported in agency funds. Additionally, the implementation of GASB Statement No. 84, Fiduciary Activities, resulted in an increase to the net position of governmental activities of approximately \$5.5 million.

⁴ During fiscal year 2022, restatements to beginning net position of governmental activities were required to accurately state balances and activity as of and for the year ended September 30, 2021. These restatements were necessary to accurately report expenditures (approximately \$9.9 million decrease) and to accurately report litigation liabilities by removing them from the General Fund. See Note 15 to the financial statements as of and for the year ended September 30, 2022.

FINANCIAL TRENDS
Schedule 2 - Changes in Net Position
Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

JCCAL Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities Expenses:										
General Government	\$115,348	\$97,131	\$104,626	\$107,052	\$130,242	\$120,880	\$120,773	\$129,700	\$156,361	\$169,336
Public Safety	55,856	65,700	58,467	70,733	76,685	85,227	85,462	62,470	88,795	99,434
Law Library Operations	-	-	-	-	-	-	-	-	268	180
Highway and Roads	24,247	20,030	25,211	29,883	36,979	38,365	30,418	36,870	40,503	48,824
Health and Welfare	20	51,759	54,632	58,886	64,366	57,364	54,360	136,434	110,993	85,329
Education - Other	-	21,312	-	-	69,000	-	-	-	-	-
Community Development	-	-	-	6,871	5,514	4,805	5,811	9,675	13,529	10,864
Contributions to Other Entities	-	-	-	-	-	37,384	24,100	35,367	-	-
Interest and Fiscal Charges	48,203	42,062	38,021	33,405	30,347	18,919	15,463	14,603	13,646	13,832
Total Governmental Activities Expenses	243,674	297,994	280,957	306,830	413,133	362,944	336,387	425,119	424,095	427,799
Business-Type Activities Expenses:										
Cooper Green Hospital	73,249	-	-	-	-	-	-	-	-	-
Economic and Industrial Development Authority	907	871	934	868	1,006	1,196	970	1,471	-	-
Nursing Home Operations	4,875	-	-	-	-	-	-	-	-	-
Sanitary Operations	306,771	300,167	306,906	318,554	329,154	346,866	360,027	375,284	380,446	386,973
Landfill Operations	5,545	3,063	2,870	3,293	3,430	1,761	4,384	1,983	2,750	4,114
Hallmark Farms	-	-	-	-	-	-	-	-	673	516
Total Business-Type Activities Expenses	391,347	304,101	310,710	322,715	333,590	349,823	365,381	378,738	383,869	391,603
Total Primary Government Expenses	635,021	602,095	591,667	629,545	746,723	712,767	701,768	803,857	807,964	819,402
Governmental Activities Revenues:										
Charges for Services	28,933	31,792	31,124	29,142	32,596	33,467	30,702	33,603	53,414	65,675
Operating Grants and Contributions	16,019	25,656	27,749	20,070	19,867	21,151	16,586	96,682	74,099	60,055
Capital Grants and Contributions	-	-	-	-	6,458	-	7,667	11,183	4,732	4,388
Total Governmental Activities Program Revenue	44,952	57,448	58,873	49,212	58,921	54,618	54,955	141,468	132,245	130,118
Business-Type Activities Revenues:										
Charges for Services	165,019	174,232	186,930	193,372	210,709	223,789	229,929	227,376	237,988	260,622
Capital Grants and Contributions:	-	-	-	-	7,180	10,027	12,366	10,300	6,826	6,287
Total Business-Type Activities Revenues	165,019	174,232	186,930	193,372	217,889	233,816	242,295	237,676	244,814	266,909
Total Primary Government Program Revenue	209,971	231,680	245,803	242,584	276,810	288,434	297,250	379,144	377,059	397,027
Total Net Primary Government	(425,050)	(370,415)	(345,864)	(386,961)	(469,913)	(424,333)	(404,518)	(424,713)	(430,905)	(422,375)

FINANCIAL TRENDS
Schedule 2 - Changes in Net Position
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

JCCAL Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Transfers:										
Governmental Activities Revenue:										
General Revenues										
Property Taxes	97,041	103,833	101,769	105,814	109,506	111,931	114,503	123,649	129,152	130,600
Sales and Use Taxes	171,364	180,291	186,349	191,022	204,634	219,428	218,092	226,346	260,694	287,104
Other Taxes	29,622	10,977	7,571	8,754	8,337	8,527	8,710	9,815	11,591	11,529
Licenses and Permits	11,201	12,207	11,222	13,878	11,815	12,824	13,243	12,959	-	-
Unrestricted Investment Earnings	673	402	869	1,030	1,000	1,447	2,765	1,550	458	2,014
Miscellaneous	6,167	6,705	18,457	14,693	18,628	15,498	14,444	10,891	9,695	3,717
Gain on Sale of Capital Assets	-	-	-	-	-	-	7,352	491	1,768	-
Transfers	(39,050)	15,335	-	-	-	-	-	-	(1,204)	(1,218)
Transfers to Agency Funds ¹	-	-	(2,458)	(2,386)	(2,946)	(3,113)	(3,152)	-	-	-
Total Governmental Activities Revenue	277,018	329,750	323,779	332,805	350,974	366,542	375,957	385,701	412,154	433,746
Business-Type Activities Revenue:										
General Revenues										
Property Taxes	5,712	5,996	5,956	5,726	6,309	6,441	6,564	7,213	7,567	7,571
Unrestricted Investment Earnings (Losses)	12	427	1,065	3,725	2,009	486	13,343	13,597	3,304	(42,253) ⁷
Miscellaneous	17,475	1,820	3,211	2,160	3,284	2,597	2,678	3,559	675	1,298
Gain on Sale of Capital Assets	-	-	4,632	5,699	-	-	-	-	345	193
Transfers	39,050	(15,335)	-	-	-	-	-	-	1,204	1,218
Total Business-Type Activities Revenues	62,249	(7,092)	14,864	17,310	11,602	9,524	22,585	24,369	13,095	(31,973)
Total General Revenues and Transfers:	339,267	322,658	338,643	350,115	362,576	376,066	398,542	410,070	425,249	401,773
Extraordinary Item: Gain on Bankruptcy										
Governmental Activities	-	22,188	-	-	-	-	-	-	-	-
Business-Type Activities	-	1,405,919	-	-	-	-	-	-	-	-
Extraordinary Item: Gain on Bankruptcy	-	1,428,107	-	-	-	-	-	-	-	-
Change (Decrease) in Net Position:										
Governmental Activities	78,296	111,392	101,695	75,187	(3,238)	58,216	94,525	102,050	120,304	136,065
Business Type Activities	(164,079)	1,268,958	(108,916)	(112,033)	(104,099)	(106,483)	(100,501)	(116,693)	(125,960)	(156,667)
Total Change in Position	(85,783)	1,380,350	(7,221)	(36,846)	(107,337)	(48,267)	(5,976)	(14,643)	(5,656)	(20,602)

FINANCIAL TRENDS
Schedule 2 - Changes in Net Position
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

JCCAL Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Position Beginning of Year	(558,310)	(644,093)	704,058	879,017	842,171	734,834	593,015	587,039	572,396	557,735
Prior Period Adjustments to Net Position	-	(32,199) ²	182,180 ³	-	-	(93,552) ⁴	-	-	(9,005) ⁵	(4,916) ⁶
Governmental Activities	-	(6,704)	74,134	-	-	(72,961)	-	-	(11,180)	(4,916)
Business Type Activities	-	(25,495)	108,046	-	-	(20,591)	-	-	2,175	
Net Position- Beginning of Year Restated	(558,310)	(676,292)	886,238	879,017	842,171	641,282	593,015	587,039	563,391	552,819
Fund Balances - End of Year	\$ (644,093)	\$ 704,058	\$ 879,017	\$ 842,171	\$ 734,834	\$ 593,015	\$ 587,039	\$ 572,396	\$ 557,735	\$ 532,217

Source: JCC Finance Department Data

¹ With the implementation of GASB 84, Agency funds are no longer a component of the audited financial statements.

² FY 2014 Note B - Summary of Significant Accounting Policies (Pg. 34): The Commission adopted pronouncement GASB 65, this includes a reduction in Net Position of -\$32,199 related to Debt Issuance Cost.

³ FY 2015 Note B - Prior Period Adjustments (Pg. 41): The Commission adopted pronouncements GASB 68 and GASB 71, this includes a positive Net Position adjustment of \$89,574 related to Pension Benefits. Also, the beginning Net Position has been adjusted to include \$93,917 related to Donated Assets & -\$1,311 related to Motor Vehicle Taxes.

⁴ FY 2018 Note B - Significant New Accounting Pronouncements (Pg. 41): The Commission adopted pronouncement GASB 75, this includes a reduction in Net Position of -\$93,552 related to other Postemployment Benefits.

⁵ FY2021 Notes 14, 15, and 16 - During fiscal year 2021, restatements to beginning net position of governmental and business-type activities were required to accurately state balances and activity as of and for the year ended September 30, 2021. These restatements were necessary to accurately present the effects of financing activities (approximately \$17.1 million decrease), to accurately report the activities of the Jefferson County Economic and Industrial Development Authority, which prior to fiscal year 2021 was reported as a blended component unit in the business-type activities (approximately \$2.2 million increase), and to accurately report approximately \$0.4 million in amounts previously reported in agency funds. Additionally, the implementation of GASB Statement No. 84, Fiduciary Activities, resulted in an increase to the net position of governmental activities of approximately \$5.5 million.

⁶ FY 2022 Note 15 - Prior Period Adjustments (Pg. 92): The beginning net position has been adjusted.

⁷ The County experienced a significant decline in fair values of its investments due to the increase in interest rates economy-wide.

FINANCIAL TRENDS
Schedule 3 - Fund Balances, Governmental Funds
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

JCCAL Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL FUND										
Nonspendable	\$18,848	\$19,034	\$27,324	\$24,324	\$21,141	\$56,539	\$50,195	\$49,363	\$28,966	\$29,104
Restricted	6,768	6,778	6,796	11,831	11,849	11,824	12,183	13,894	12,094	12,094
Committed	4,415	-	-	-	-	-	-	-	500	-
Assigned	22,268	-	11,794	9,541	12,544	30,685	39,713	64,497	71,682	92,608
Unassigned	67,236	102,183	76,578	76,117	84,554	54,998	76,004	111,765	168,509	203,068
Total General Fund	119,535	127,995	122,492	121,813	130,088	154,046	178,095	239,519	281,751	336,874
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	17,626	11,654	10,814	9,598	9,193	-	(18,289)	-	-	-
Restricted	200,601	187,561	199,552	201,072	55,888	52,921	68,817	34,755	68,496	60,174
Committed	1,159	-	-	-	-	-	-	-	-	-
Assigned	52,075	59,483	37,128	45,400	22,068	24,445	21,973	22,428	4,610	96,392
Unassigned	(22,268)	(6,525)	3,830	(16,505)	(10,565)	(5,294)	(16,112)	(49)	-	-
Total All Other Governmental Funds	249,193	252,173	251,324	239,565	76,584	72,072	56,389	57,134	73,106	156,566
Total Governmental Fund Balance	\$ 368,728	\$ 380,168	\$ 373,816	\$ 361,378	\$ 206,672	\$ 226,118	\$ 234,484	\$ 296,653	\$ 354,857	\$ 493,440

Source: JCC Finance Department Data (FY Audited Financial Data issued by Mauldin & Jenkins)

FINANCIAL TRENDS
Schedule 4 - Revenues, Expenditures, and Other Financial Sources (Uses)
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

JCCAL Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES:										
Taxes	\$278,391	\$294,385	\$295,696	\$306,970	\$322,475	\$339,760	\$341,295	\$359,808	\$401,437	\$429,233
Licenses and Permits	11,201	12,207	11,222	13,878	11,815	12,824	13,243	12,959	12,625	16,966
Fines and forfeitures	-	-	-	-	-	-	-	-	1,229	1,034
Intergovernmental	35,657	25,656	27,742	20,070	23,542	21,151	24,253	107,865	70,797	61,923
Charges for Services, Net	28,933	31,792	31,333	29,142	32,596	33,467	30,702	33,603	40,789	47,675
Contributions and Donations	-	-	-	-	-	-	-	-	3,146	3,397
Interest and Investment Income (Loss)	673	402	869	1,030	1,000	1,447	2,765	1,550	458	2,014
Miscellaneous	5,972	8,109	18,212	13,286	16,463	15,225	10,881	10,891	9,695	3,717
TOTAL REVENUES	360,827	372,551	385,074	384,376	407,891	423,874	423,139	526,676	540,176	565,959
EXPENDITURES:										
Current:										
General Government	111,038	93,214	101,362	101,790	111,196	116,593	127,823	131,533	170,587	179,494
Public Safety	55,395	65,239	60,566	68,771	74,303	81,852	81,312	58,538	85,500	97,255
Law Library Operations	-	-	-	-	-	-	-	-	269	180
Highways and Roads	18,790	14,869	21,137	23,502	30,249	30,954	25,392	28,374	31,709	38,536
Health and Welfare	20	48,385	52,412	53,423	60,406	53,776	53,644	132,874	110,064	86,035
Education - other	-	21,312	-	-	69,000	-	-	-	-	-
Community Development	-	-	-	6,865	5,505	4,796	5,802	9,666	13,529	10,864
Capital Outlay	5,877	13,829	20,358	22,209	22,068	23,768	44,270	29,056	22,737	26,905
Indirect	(7,478)	(4,271)	(4,106)	(3,503)	(4,004)	(5,314)	(5,922)	(6,079)	(8,108)	-
Contributions to Other Entities	-	-	-	-	-	37,384	24,100	35,367	-	-
Debt Service:										
Principal	60,022	83,508	95,175	99,982	540,830	178,442	35,864	37,450	36,714	33,053
Interest	50,181	44,594	39,796	35,990	36,252	29,746	22,841	23,115	21,099	19,406
Issuance costs	-	-	-	-	-	-	-	-	-	1,286
TOTAL EXPENDITURES	293,845	380,679	386,700	409,029	945,805	551,997	415,126	479,894	484,100	493,014
Excess (deficiency) of revenues over (under) expenditures	66,982	(8,128)	(1,626)	(24,653)	(537,914)	(128,123)	8,013	46,782	56,076	72,945
Other Financing Sources (Uses)										
Proceeds from Sales of Capital Assets	947	120	137	1,407	2,165	320	3,505	2,132	2,677	989
Issuance of Financed Purchases	-	-	-	-	-	-	-	-	655	-
Issuance of Bonds	-	-	-	-	338,925	138,175	-	-	-	66,335
Premium on Bonds	-	-	-	-	45,064	13,209	-	-	-	4,448
Transfers In	50,360	37,565	40,277	38,350	430,186	225,241	163,998	149,168	169,164	195,267
Transfers Out	(89,410)	(39,952)	(42,735)	(40,736)	(433,132)	(229,376)	(167,150)	(149,168)	(170,368)	(196,485)
Total other financing sources (uses)	(38,103)	(2,267)	(2,321)	(979)	383,208	147,569	353	2,132	2,128	70,554
Extraordinary Item: Gain on Bankruptcy	-	22,188 ²	-	-	-	-	-	-	-	-
Net Change in Fund Balances	28,879	11,793	(3,947)	(25,632)	(154,706)	19,446	8,366	48,914	58,204	143,499
Fund Balances - Beginning of Year	339,849 ¹	368,375 ³	380,168	373,816	361,378	206,672	226,118	234,484	283,398	354,857
Prior Period Adjustments Governmental Funds	-	-	(2,405) ⁴	13,194 ⁵	-	-	-	-	13,255	(4,916) ⁸
Fund Balances - Beginning of Year Restated	339,849	368,375	377,763	387,010	361,378	206,672	226,118	234,484	296,653 ⁶	349,941

JCCAL Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund Balances - End of Year	\$ 368,728	\$ 380,168	\$ 373,816	\$ 361,378	\$ 206,672	\$ 226,118	\$ 234,484	\$ 283,398	\$ 354,857	\$ 493,440
Ratio of Total Debt Service to Noncapital Expenditures:	38.27%	34.92%	36.84%	35.15%	62.47%	39.41%	15.83%	13.43% ⁷	12.59%	11.63%

Source: JCC Finance Department Data

¹ FY 2013: The beginning balance in 2013 is \$2 less than the ending balance in 2012. This is related to the Indigent Care Fund.

² FY 2014 Note B - Summary of Significant Accounting Policies (Pg. 42): The beginning balance in 2014 is \$353 less than the ending balance in 2013. This is related to the re-allocation of the Emergency Mgmt. Fund in 2014 as a separate Agency Fund.

³ FY 2014 the Commission filed Chapter 9 Bankruptcy. With the bankruptcy confirmation, the Commission retired certain warrant series and issued new warrants. The entire Sewer Revenue Warrant Series (totaling \$3,107,518 as of December 3, 2013) was retired as well as the GO Series 2001-B Warrants (totaling \$105,000 as of December 3, 2013). The Series 2013 Sewer Warrants totaling \$1,785,486 and Series 2013 GO Warrants of \$105,000 were issued as of December 3, 2013. The Commission realized a net gain on the bankruptcy restructuring of the sewer warrants of approximately \$1,406,000, net of various settlement costs. The Commission also realized a net gain on the bankruptcy restructuring of the GO 2001-B Warrants of approximately \$22,188 net of various settlement costs.

⁴ FY 2015 Note B - Prior Period Adjustments (Pg. 41): The beginning Fund Balance has been adjusted to include -\$1,094 related to Long Term Loans and -\$1,311 related to Motor Vehicle Taxes.

⁵ FY 2016 Note B - Prior Period Adjustments (Pg. 40): The beginning Fund Balance has been adjusted to exclude Accrued Interest \$5,974 and liabilities related to Accrued Compensated Absences \$7,220.

⁶ Correction of 2020 Ratio of Total Debt Service to Noncapital Expenditures

⁷ FY2021 Note 14 - Change in Accounting Principle: The Commission adopted pronouncement GASB 84, this includes a positive Fund Balance adjustment of \$5,549 related to Fiduciary Activities. Note 15 - Change in Reporting Entity: The Commission determined that the \$414 Revolving Loan Fund, previously reported as an Agency Fund, should be presented within the Community Development Loan Fund. Note 16 - Restatements:

⁸ FY 2022 Note 15 - Prior Period Adjustments (Pg. 92): The beginning Fund Balance has been adjusted.

REVENUE CAPACITY
Schedule 5 - Sales and Use Tax Revenues To Total Taxes
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ⁵
Breakdown of Tax Revenue:										
County Sales Tax ^{1,2}	\$ 97,380	\$ 99,183	\$ 104,513	\$ 102,752	\$ 111,339	\$ 120,361	\$ 114,549	\$ 117,379	\$ 129,399	\$ 139,672
Education Sales Tax ³	96,613	100,377	103,732	104,844	103,490	4,795				
Special Revenue Sales Tax ^{3,4}					7,173	115,048	115,984	113,537	127,335	138,936
Simplified Sellers Use Tax					1,881	2,714	5,493	10,196	14,161	16,710
Total Sales Taxes	193,993	199,560	208,245	207,596	223,883	242,918	236,026	241,112	270,895	295,318
Property Tax	106,496	105,705	108,070	112,732	114,680	117,735	121,227	134,217	136,719	140,221
Total Taxes	\$ 300,489	\$ 305,265	\$ 316,315	\$ 320,328	\$ 338,563	\$ 360,653	\$ 357,253	\$ 375,329	\$ 407,614	\$ 435,539
% of Sales & Use to Total Taxes	64.56%	65.37%	65.83%	64.81%	66.13%	67.36%	66.07%	64.24%	66.46%	67.81%

Source: Jefferson County Tax Collector and Jefferson County Revenue Director

¹ The sales and use tax revenue on this schedule are reported gross vs net (less commissions and fees) on the accompanying financial statements.

² Source: Jefferson County Revenue Director represents the gross collections from the one-cent general sales and use tax and the one-cent education sales tax reported on a cash basis. The Jefferson County Revenue Department does not provide data by industry type.

³ Pursuant to Act No. 2015-226 adopted by the Alabama Legislature, the levy of the Education Sales and Use Tax was canceled simultaneously with the issuance of the county's Limited Obligation Refunding Warrants, Series 2017 and the levy of the Special Revenue Sales and Use Tax on July 31, 2017.

⁴ The Special Revenue Sales and Use Tax was first levied on August 1, 2017 and is collected a month in arrears. The amount provided above for fiscal year 2017 reflects one month's collections.

⁵ All tax collections increased in FY 2022 due to the increase of new businesses, and increase in the price of products.

REVENUE CAPACITY
Schedule 6 - Jefferson County Ten Largest Special Revenue Sales and Use Tax Payors
 Last Six Fiscal Years - Fiscal Year Ending September 30th

Fiscal Year Ending September 30	Total Amount Collected	Percentage of Total Amount Collected
2017	\$ 1,498,235	20.89%
2018	19,651,558	17.08%
2019	21,926,938	18.91%
2020	25,739,763	22.67%
2021	18,845,552	14.80%
2022	19,717,930	14.19%

Source: Jefferson County Revenue Department.

The Special Revenue Sales and Use Tax was first levied on August 1, 2017 and is collected a month in arrears. The amount provided above for fiscal year 2017 reflects one month's collections.

The Special Revenue Sales and Use Taxpayers industry types include retail, software/computers, and public utility.

REVENUE CAPACITY
Schedule 7 - Jefferson County Ad Valorem Tax Revenue
 Last Ten Fiscal Years - Fiscal Year Ending September 30th

Fiscal Year Ended September 30	General Tax (5.6 mills)¹	Sewer Tax (0.7 mills)	Public Buildings, Bridges and Roads (5.1 mills)	Rural Roads (2.1 mills)²
2013	\$38,353,976	\$5,620,979	\$40,260,285	\$16,721,178
2014	39,065,798	5,561,248	40,380,950	16,641,498
2015	36,514,904	5,454,528	39,727,570	16,356,708
2016	35,725,294	5,323,850	38,207,090	15,852,105
2017	39,732,959	5,780,605	42,123,580	17,343,419
2018	40,809,458	5,929,372	43,208,439	17,789,926
2019	42,238,337	6,122,740	44,619,166	18,370,425
2020	44,688,901	6,496,513	46,088,276	19,233,552
2021	46,145,101	6,769,196	48,024,439	20,041,230
2022	46,211,376	6,797,513	48,277,508	20,135,768

Source: Jefferson County Tax Assessor; Jefferson County Tax Collector

Figures do not include (i) ad valorem tax revenues from motor vehicles or (ii) ad valorem tax revenues resulting from delinquent ad valorem collections.

¹ Net of amounts required to be deducted from the 5.6 mill tax proceeds for certain purposes, including, among others, payments to The Birmingham-Jefferson County Transit Authority, the Jefferson County Department of Health, and the State Mapping and Reappraisal Program.

² Approximately one half of the ad valorem tax revenue resulting from the Rural Roads tax is returned to municipalities via a "Road Tax Distribution."

REVENUE CAPACITY
Schedule 8 - Property Taxes Levied and Collections
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

Tax Year Ended September 30 ¹	Total Net Tax Levy ²	Current Tax Collection	Percent of Levy Collected	Delinquent Tax Collection	Total Collection	Percent of Total Tax Collection to Tax Levy
2013	\$ 542,537	\$ 532,280	98.11%	\$ 7,768	\$ 540,048	99.54%
2014	550,902	540,580	98.13%	7,552	548,133	99.50%
2015	565,752	556,568	98.38%	8,780	565,348	99.93%
2016	597,336	580,276	97.14%	10,161	590,437	98.85%
2017	613,117	600,525	97.95%	9,590	610,115	99.51%
2018	628,709	617,697	98.25%	8,427	626,124	99.59%
2019	649,100	639,433	98.51%	8,022	647,456	99.75%
2020	741,487	706,909	95.34%	8,281	715,191	96.45%
2021	760,809	739,252	97.17%	7,055	746,307	98.09%
2022	775,377	754,090	97.25%	6,606	760,696	98.11%

Source: Jefferson County Tax Assessor; Jefferson County Tax Collector

¹ Taxes collected in each fiscal year represent the taxes levied by the Tax Assessor in the prior fiscal year and collected by the Tax Collector in the current year as taxes are collected in arrears.

² Increased Total Net Tax Levy for Tax Year Ended September 30, 2022 reflects property reappraisals completed by the Board of Equalization for such Tax Year.

REVENUE CAPACITY
Schedule 9 - Assessed Value and Estimated True Value of All Taxable Property
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

Tax Year Ending 30-Sep	Class 1*		Class 2*		Class 3*		Class 4**		Total		Ratio of Assessed Value to Estimated True Value	Total Direct Rate
	Property of Utilities		All Unclassified Real/Personal		Agriculture, Forest, Residential, Historic		Motor Vehicles		Assessed	Estimated		
	Assessed Value ²	Estimated True Value ¹	Assessed Value ²	Estimated True Value ¹	Assessed Value ²	Estimated True Value ¹	Assessed Value ²	Estimated True Value ¹	Value ²	True Value ¹		
2013	\$ 759,983	\$ 2,450,854	\$ 4,671,454	\$22,894,924	\$ 2,473,713	\$ 24,485,047	\$ 947,476	\$ 6,316,510	\$ 8,852,625	\$ 56,147,335	15.77%	1.35
2014	754,284	2,533,277	4,823,545	23,332,367	2,473,713	24,560,565	955,622	6,370,819	9,007,163	56,797,028	15.86%	1.35
2015	749,937	2,514,279	5,081,132	24,084,601	2,543,286	24,737,125	970,132	6,467,553	9,344,487	57,803,558	16.17%	1.35
2016	755,801	2,499,789	5,195,420	25,380,377	2,627,198	25,432,862	1,037,058	6,913,723	9,615,477	60,226,751	15.97%	1.35
2017	768,574	2,519,335	5,281,482	25,945,977	2,705,295	26,271,980	1,027,164	6,847,764	9,782,515	61,585,056	15.88%	1.35
2018	782,337	2,561,914	5,400,223	26,383,047	2,842,460	27,052,948	971,568	6,477,122	9,996,587	62,475,031	16.00%	1.35
2019	795,622	2,607,788	6,467,939	26,971,258	3,069,053	28,424,596	988,424	6,589,494	11,321,039	64,593,136	17.53%	1.35
2020	835,428	2,652,073	6,477,973	32,311,206	3,218,597	30,690,534	979,906	6,532,712	11,511,904	72,186,525	15.95%	1.35
2021	849,734	2,832,734	6,714,241	33,571,207	2,742,914	27,429,143	1,034,897	6,899,316	11,341,786	70,732,400	16.03%	1.35
2022	864,853	2,882,840	6,686,052	33,430,260	3,898,801	38,988,010	1,015,138	6,400,624	12,464,844	81,701,734	15.26%	1.35

Source: • Jefferson County Tax Assessor and ** Jefferson County Revenue Director

¹ Estimated True Value is calculated based on the following percentages:

Class I Public Utility-30%

Class II Commercial-20%

Class III Residential-10% Class IV Automobile-15%

² Assessed Values are reported as net assessments after exemptions and penalties applied as reported on the Tax Assessor's abstract

REVENUE CAPACITY
Schedule 10 - Principal Property Taxpayers (Jefferson County Only)
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

Assessed Entity	Fiscal Year Ended September 30, 2022 ³			Fiscal Year Ended September 30, 2013		
	Total Assessed Value ¹ of Property Within County Limits	Rank	% of Total Assessed Valuation	Total Assessed Value ² of Property Within County Limits	Rank	% of Total Assessed Valuation
Alabama Power CO	763,125,500	1	6.67%	\$580,064,500	1	7.35%
United States Steel CORP Tax Division	71,011,900	2	0.62%	96,054,474	2	1.22%
Affinity Hospital LLC	70,297,860	3	0.61%			
Bellsouth Telecommunications LLC	69,050,300	4	0.60%	36,841,880	4	0.47%
Wells Fargo Bank National Association	60,854,760	5	0.53%			
Norfolk Southern Combined Rail	60,460,120	6	0.53%	41,550,500	3	0.53%
Kamtek INC	52,445,200	7	0.46%			
AT & T Services	37,888,000	8	0.33%	25,436,660	10	0.32%
American Cast Iron Pipe CO	36,827,220	9	0.32%	32,593,480	6	0.41%
Spire Alabama INC	36,569,600	10	0.32%			
Alabama Gas Corp				35,798,100	5	0.45%
GSA Birmingham Realty				28,487,660	7	0.36%
Amsouth Bank				26,484,820	9	0.34%
Hoover Mall Limited LP				27,789,880	8	0.35%
	\$ 1,258,530,460		10.99%	\$ 931,101,954		11.80%

Source: Jefferson County Tax Assessor

¹ Total 2022 assessed value of property within county limits reflected \$11,449,706 (excludes Class 4-Motor Vehicles) on the net abstract.

² Total 2013 assessed value of property within county limits reflected \$7,887,493 (excludes Class 4-Motor Vehicles) on the net abstract.

³ Tax year versus fiscal year end variances.

REVENUE CAPACITY
Schedule 11 - Property Taxes - Direct and Overlapping Governments
 Jefferson County, Alabama
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (Per \$100 of Assessed Value)

OVERLAPPING TAX RATES									
<u>Fiscal Year</u>	<u>Jefferson County</u>				<u>City of Birmingham</u>			<u>State of Alabama</u>	<u>Total Direct & Overlapping</u>
	<u>Direct County Government</u>	<u>County Schools</u>	<u>Special Schools</u>	<u>County Total</u>	<u>Municipal Tax</u>	<u>BOE School</u>	<u>City Total</u>		
2013	1.35	0.82	2.19	4.36	2.85	1.28	4.13	0.65	9.14
2014	1.35	0.82	2.19	4.36	2.85	1.28	4.13	0.65	9.14
2015	1.35	0.82	2.19	4.36	2.85	1.58	4.43	0.65	9.44
2016	1.35	0.82	2.19	4.36	2.85	1.58	4.43	0.65	9.44
2017	1.35	0.82	2.19	4.36	2.85	1.58	4.43	0.65	9.44
2018	1.35	0.82	2.19	4.36	2.85	1.58	4.43	0.65	9.44
2019	1.35	0.82	2.19	4.36	2.85	1.58	4.43	0.65	9.44
2020	1.35	0.82	2.19	4.36	2.85	1.58	4.43	0.65	9.44
2021	1.35	0.82	2.19	4.36	2.85	1.58	4.43	0.65	9.44
2022	1.35	0.82	2.19	4.36	2.85	1.58	4.43	0.65	9.44

OVERLAPPING TAX RATES									
<u>Fiscal Year</u>	<u>Jefferson County</u>				<u>City of Vestavia Hills</u>			<u>State of Alabama</u>	<u>Total Direct & Overlapping</u>
	<u>Direct County Government</u>	<u>County Schools</u>	<u>Special Schools</u>	<u>County Total</u>	<u>Municipal Tax</u>	<u>BOE School</u>	<u>City Total</u>		
2013	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45
2014	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45
2015	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45
2016	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45
2017	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45
2018	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45
2019	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45
2020	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45
2021	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45
2022	1.35	0.82	2.19	4.36	4.93	1.51	6.44	0.65	11.45

REVENUE CAPACITY
Schedule 11 - Property Taxes - Direct and Overlapping Governments
 Jefferson County, Alabama
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (Per \$100 of Assessed Value)

OVERLAPPING TAX RATES									
<u>Fiscal Year</u>	Jefferson County				City of Mountain Brook			<u>State of Alabama</u>	<u>Total Direct & Overlapping</u>
	<u>Direct County Government</u>	<u>County Schools</u>	<u>Special Schools</u>	<u>County Total</u>	<u>Municipal Tax</u>	<u>BOE School</u>	<u>City Total</u>		
2013	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09
2014	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09
2015	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09
2016	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09
2017	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09
2018	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09
2019	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09
2020	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09
2021	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09
2022	1.35	0.82	2.19	4.36	4.67	3.41	8.08	0.65	13.09

OVERLAPPING TAX RATES									
<u>Fiscal Year</u>	Jefferson County				City of Hoover			<u>State of Alabama</u>	<u>Total Direct & Overlapping</u>
	<u>Direct County Government</u>	<u>County Schools</u>	<u>Special Schools</u>	<u>County Total</u>	<u>Municipal Tax</u>	<u>BOE School</u>	<u>City Total</u>		
2013	1.35	0.82	2.19	4.36	3.17	1.51	4.68	0.65	9.69
2014	1.35	0.82	2.19	4.36	3.17	1.51	4.68	0.65	9.69
2015	1.35	0.82	2.19	4.36	3.17	1.51	4.68	0.65	9.69
2016	1.35	0.82	2.19	4.36	3.17	1.51	4.68	0.65	9.69
2017	1.35	0.82	2.19	4.36	3.17	1.51	4.68	0.65	9.69
2018	1.35	0.82	2.19	4.36	3.17	1.51	4.68	0.65	9.69
2019	1.35	0.82	2.19	4.36	3.17	1.51	4.68	0.65	9.69
2020	1.35	0.82	2.19	4.36	3.17	1.51	4.68	0.65	9.69
2021	1.35	0.82	2.19	4.36	3.17	1.51	4.68	0.65	9.69
2022	1.35	0.82	2.19	4.36	3.05	1.39	4.44	0.65	9.45

Source: Jefferson County Tax Assessor/ Code of Alabama 1975 Title 40 section 40-5-9

Tax Due Date: October 1

Delinquent Date: January 1

Discounts Allowed: None

Tax Sale Date: Usually May or June

Incorrect municipality (Homewood) calculated for previous years for Hoover 2013-2021

REVENUE CAPACITY
Schedule 12 - Enterprise Fund Data
 Jefferson County, Alabama
 Last Ten Fiscal Years - Fiscal Year Ending September 30th

Account Data*

Fiscal Year Ended September 30	Residential Accounts Served	Non-Residential Accounts Served	Total Accounts Served	Accounts Billed by the Water Works Board of the City of Birmingham (Alabama)	Percentage Accounts Billed by the Water Works Board of the City of Birmingham (Alabama)	Accounts Billed by Bessemer Water Works (acting as a department of the City of Bessemer, Alabama)	Percentage Accounts Billed by Bessemer Water Works (acting as a department of the City of Bessemer, Alabama)	Accounts Billed by Jefferson County	Percentage Accounts Billed by Jefferson County
2013	124,750	15,190	139,940	111,235	79.5%	16,409	11.7%	12,296	8.8%
2014	125,657	14,703	140,360	111,440	79.4%	16,474	11.7%	12,446	8.9%
2015	126,825	13,733	140,558	111,024	79.0%	16,720	11.9%	12,814	9.1%
2016	125,173	15,847	141,020	111,279	78.9%	16,832	11.9%	12,909	9.2%
2017	127,771	13,861	141,632	111,450	78.7%	17,135	12.1%	13,047	9.2%
2018	126,929	13,083	140,012	109,635	78.3%	17,286	12.3%	13,091	9.3%
2019	126,470	14,654	141,124	110,791	78.5%	17,311	12.3%	13,022	9.2%
2020	128,005	14,223	142,228	110,995	78.0%	17,383	12.2%	13,850	9.7%
2021	131,499	12,158	143,657	111,977	77.9%	17,519	12.2%	14,161	9.9%
2022	133,181	12,214	145,395	113,260	77.9%	17,730	12.2%	14,406	9.9%

*Sewer account data is based on estimates provided by the Jefferson County Environmental Services Department.

REVENUE CAPACITY
Schedule 13 - Historical Sewer Rates
 Jefferson County, Alabama
 Last Ten Fiscal Years - Fiscal Year Ending September 30th

Fiscal Year Ended September 30	<u>2013</u> ^{(1), (2)}	<u>2014</u> ⁽³⁾	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Minimum Charge										
5/8 inch meter	\$ 10.00	\$ 15.00	\$ 16.18	\$ 17.46	\$ 18.84	\$ 20.33	\$ 21.04	\$ 21.77	\$ 22.55	\$ 23.34
3/4 inch meter	11.00	16.50	17.80	19.21	20.73	22.37	23.15	23.96	24.80	25.67
1 inch meter	14.00	21.00	22.66	24.44	26.37	28.45	29.44	30.47	31.54	32.65
1 1/2 inch meter	18.00	27.00	29.13	31.43	33.91	36.59	37.87	39.19	40.57	41.99
2 inch meter	29.00	43.50	46.93	50.64	54.64	58.95	61.01	63.14	65.35	67.64
3 inch meter	110.00	165.00	178.02	192.06	207.21	223.56	231.36	239.43	247.80	256.45
4 inch meter	140.00	210.00	226.57	244.45	263.74	284.55	294.48	304.76	315.40	326.41
6 inch meter	210.00	315.00	339.85	366.67	395.60	426.81	441.71	457.13	473.09	489.61
8 inch meter	290.00	435.00	469.32	506.35	546.30	589.40	609.97	631.26	653.30	676.11
10 inch meter	370.00	555.00	598.79	646.03	697.00	751.99	778.23	805.39	833.51	862.60
Residential Volume Charge, per CCF										
0 - 3 CCF	4.50	4.50	4.86	5.24	5.65	6.10	6.31	6.53	6.77	7.01
4 - 6 CCF	7.00	7.00	7.55	8.15	8.79	9.48	9.81	10.15	10.52	10.89
7 CCF & Above	8.00	8.00	8.63	9.31	10.04	10.83	11.21	11.60	12.02	12.44
Non-Residential Volume Charge, per CCF										
All CCF	7.60	7.87	8.49	9.16	9.88	10.66	11.03	12.53	11.82	12.24
5 CCF User Bill⁽⁴⁾	37.50	42.50	45.86	49.48	53.37	57.59	59.59	61.67	63.90	66.15
<i>Bill increase</i>	<i>1.40%</i>	<i>13.33%</i>	<i>7.91%</i>	<i>7.89%</i>	<i>7.86%</i>	<i>7.91%</i>	<i>3.47%</i>	<i>3.49%</i>	<i>3.62%</i>	<i>3.52%</i>

Source: Jefferson County Environmental Services Department

(1) In fiscal year 2013, a base charge replaced the minimum charge and a tiered volumetric rate structure was implemented for residential customers.

(2) The fiscal year 2013 rate increase became effective five months into the fiscal year, on March 1, 2013.

(3) As of November 1, 2013.

(4) The monthly bill for a typical residential account of the System with billable flows of 5 CCF and a 5/8 inch meter. Does not reflect Residential Return Factor of 0.85.

REVENUE CAPACITY
Schedule 14 - Top 10 Sewer Customers
 Current Fiscal Year and Nine Fiscal Years Ago - Fiscal Year Ending September 30th (In Thousands)

Major Sewer Customers ⁽²⁾	Fiscal Year Ended September 30, 2022				Fiscal Year Ended September 30, 2013			
	Total Consumption (CCF)	Annual Sewer Service Charges Billed ⁽¹⁾	Rank	% of Total Charges Billed	Total Consumption (CCF)	Annual Sewer Service Charges Billed ⁽¹⁾	Rank	% of Total Charges Billed
University of Alabama at Birmingham	606,691	\$ 7,622	1	3.13%	410,685	\$ 3,039	1	2.05%
Birmingham Housing Authority	259,609	3,217	2	1.32%	212,166	1,570	3	1.06%
U.S. Steel	114,665	1,419	3	0.58%	509,159	2,597	2	1.75%
Tenet Healthcare	95,962	1,189	4	0.49%				0.00%
Samford University	94,542	1,175	5	0.48%	104,034	770	8	0.52%
St. Vincent's Hospital	94,851	1,171	6	0.48%				0.00%
SMI Steel, Inc.	93,637	1,152	7	0.47%	114,505	847	5	0.57%
Veterans Administration	71,335	885	8	0.36%	142,964	1,058	4	0.71%
Dairy Farmers of America, Inc	61,531	759	9	0.31%				0.00%
Valora At Homewood BL LLC	60,520	743	10	0.31%				
St. Vincent's Hospital - East								0.00%
Barber's Pure Milk Co.					124,272	809	6	0.55%
Brookwood Hospital AMI					107,763	797	7	0.54%
Trinity Medical Center					99,856	739	9	0.50%
Coca Cola Bottling Company					140,548	624	10	0.42%
Subtotal, Major Sewer Customers		19,333		7.94%		12,850		8.66%
Other Customers		224,306				135,490		
Total Sewer Customers		243,639				148,340		

Source: Jefferson County Environmental Services Department

(1) Excludes proceeds from the Sewer Tax levied within the County pursuant to Act No. 716, enacted February 28, 1901 by the Alabama Legislature

(2) Largest Account and Top Ten Accounts based on annual charges billed (See Major Accounts Fiscal Year Ended September 30, 2021)

DEBT CAPACITY
Schedule 15 - Jefferson County Debt Ratios
 Fiscal Year Ended September 30, 2022

Population ¹	674,721
Assessed Value of Taxable Property as of September 30, 2022 ²	\$ 12,464,844,000
General Obligation Debt Outstanding as of September 30, 2022	\$ 99,711,657
General Obligation Debt Per Capita	\$ 147.78
Ratio of General Obligation Debt to Assessed Value	0.80%

¹ Source: 2020 US Census Bureau population for Jefferson County, Alabama

² Source: Jefferson County Tax Assessor and Jefferson County Revenue Department

DEBT CAPACITY
Schedule 16 - Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

Fiscal Year	Governmental Funds				Business-Type Activities				Total Outstanding Debt	Aggregate Income	Percentage of Personal Income	County Population	Outstanding Debt Per Capita (In Dollars)
	General Obligation Warrants	Lease Revenue Warrants	Limited Obligation Warrants ¹	Funding Agreements ²	Sewer Revenue Warrants ³	Component Unit Bonds	Financial Leases ⁴						
2013 ¹	\$ 200,520	\$ 74,015	\$ 726,110	\$ -	\$ 3,107,518	\$ -	\$ 393	\$ 4,108,556	\$ 29,706,376	13.83%	\$ 659,265	\$ 6,232	
2014	181,855	69,425	666,110	-	1,821,205	-	153	2,738,748	30,897,715	8.86%	659,972	4,150	
2015	162,420	64,585	595,475	-	1,867,336	-	167	2,689,983	32,467,641	8.29%	660,455	4,073	
2016	145,385	59,480	517,785	-	1,914,656	-	167	2,637,473	32,979,113	8.00%	660,343	3,994	
2017	127,720	54,100	338,925	-	1,960,664	-	167	2,481,576	34,907,850	7.11%	659,599	3,762	
2018	150,640	-	330,720	17,810	2,005,052	-	4,595	2,508,817	36,644,708	6.85%	659,429	3,804	
2019	128,195	-	320,165	17,484	2,052,555	13,000	6,773	2,538,172	37,755,657	6.72%	658,573	3,849	
2020	106,310	-	309,080	17,145	2,118,942	13,000	8,537	2,573,014	38,287,681	6.72%	674,721	3,907	
2021	87,766	-	328,080	16,793	2,161,385	12,792	7,390	2,614,206	41,652,714	6.28%	674,721	3,874	
2022	67,939	-	383,385	16,428	2,230,564	11,953	5,539	2,715,808	NA	N/A	674,721	4,025	

Source: JCC Finance Department Data (FY22 Audited Financial Data), Aggregate & Per Capita Income from Bureau of Economic Analysis report CAINC1 Personal Income Summary, as of November 16, 2022 updated release, and Population data from 2020 US Census Bureau data for Jefferson County, Alabama

¹ Limited Obligation Warrants includes the Limited Obligation Refunding Warrants Series 2017 and the Alabama Transportation Infrastructure Bank Revenue Bonds Series 2022B.

² Funding Agreements includes the principal component of the 2018 BJCC Funding Agreement for Series 2018E Bonds. Please see Schedule 34 for a full amortization schedule.

³ During the Jefferson County Bankruptcy Plan of Adjustment, finalized December 13, 2013, the County refunded portions of the debt.

⁴ With the release of GASB 87 Guidelines, all lease agreements are considered to have a financial component.

DEBT CAPACITY
Schedule 17 - Ratios of Net General Bonded Debt to Estimated True Value and Net Bonded Debt Per Capita
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

<u>Fiscal Year</u>	<u>County Population</u> ¹	<u>Estimated True Value</u> ²	<u>General Bonded Debt</u> ³	<u>Less Bond Reserve Fund Balance</u> ⁴	<u>Net General Bonded Debt</u>	<u>Ratio of Net Bonded Debt To Estimated True Value</u>	<u>Net Bonded Debt Per Capita (In Dollars)</u>
2013	659,265	\$56,147,335	\$4,108,556	\$105,395	\$4,003,161	7.13%	\$6,072
2014	659,972	56,797,028	2,738,748	106,428	2,632,320	4.63%	3,989
2015	660,455	57,803,558	2,689,983	100,471	2,589,512	4.48%	3,921
2016	660,343	60,226,751	2,637,473	105,407	2,532,066	4.20%	3,834
2017	659,599	61,585,056	2,481,576	12,995	2,468,581	4.01%	3,743
2018	659,429	62,475,031	2,508,817	14,215	2,494,602	3.99%	3,783
2019	658,573	64,593,136	2,538,172	-	2,538,172	3.93%	3,854
2020	674,721	72,186,525	2,573,014	-	2,573,014	3.56%	3,813
2021	674,721	70,732,400	2,614,206	8,745	2,605,461	3.68%	3,862
2022	674,721	81,701,734	2,715,808	10,980	2,704,828	3.31%	4,009

¹ 2020 US Census Bureau population for Jefferson County.

² See Schedule 9 "Assessed Value and Estimated True Value of All Taxable Property"

³ Includes General Obligation Warrants, Limited Obligation Warrants, Lease Revenue Warrants, Sewer Revenue Warrants, Funding Agreements, Financial Leases, and Bonded Debts of Component Units.

⁴ Includes Limited Obligation School Warrants 2004A and 2005A&B Reserve Funds (refunded by Limited Obligation Refunding Warrants Series 2017), as well as other amounts held in trust for the purpose of repaying Warrants Principal.

DEBT CAPACITY
Schedule 18 - Estimated Constitutional Debt Margin
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Assessed Value of Real and Personal Property ¹	\$8,852,625	\$9,007,163	\$9,344,487	\$9,615,477	\$9,782,515	\$9,996,587	\$11,321,039	\$11,511,904	\$11,341,786	\$12,464,844
Constitutional Debt Limit (5% of Assessed Value) ²	442,631	450,358	467,224	480,774	489,126	499,829	566,052	575,595	567,089	623,242
Outstanding Long-Term Debt of the County ³	4,108,556	2,738,748	2,689,983	2,637,473	2,481,576	2,508,817	2,538,172	2,573,014	2,614,206	2,715,808
(Less) Exemption for School and Sewer Debt ²	(3,907,643)	(2,556,740)	(2,527,396)	(2,491,921)	(2,353,689)	(2,335,772)	(2,385,720)	(2,441,022)	(2,502,257)	(2,625,902)
(Less) Exemption for Debt Issued Under Section 772 ⁴	-	-	-	-	-	(17,810)	(30,484)	(30,145)	(29,585)	(28,379)
Total Long-Term Debt Subject to the Debt Margin	200,913	182,008	162,587	145,552	127,887	155,235	121,968	101,847	82,364	61,527
Constitutional Debt Margin	241,718	268,350	304,637	335,222	361,239	344,594	444,084	473,748	484,725	561,715
Ratio of Outstanding Debt to Constitutional Debt Limit:	45.39%	40.41%	34.80%	30.27%	26.15%	31.06%	21.55%	17.69%	14.52%	9.87%

¹ See Schedule 9 "Assessed Value and Estimated True Value of All Taxable Property"

² Section 224 of the Constitution of the State of Alabama limits the indebtedness of Counties to 5% of the assessed value of taxable property in the County. Debts issued for schools and sewers are excluded from this limit.

³ Amounts presented net of Unamortized Premiums and (Discounts). Before amortizable amounts, total outstanding longterm debt of the County is \$2,793,672.

⁴ The Birmingham Jefferson Civic Center Authority Funding Agreement Series 2018E (see Schedule 34) and the Hallmark Capital Improvement Loan Series 2019 are exempt from consideration for purposes of the Constitutional Debt Limit pursuant to Amendment 772 of the Alabama Constitution.

DEBT CAPACITY
Schedule 19 - Pledged-Revenue Coverage for Sewer Revenue Bonds
 Last Ten Fiscal Years - Bond Year Ending October 1st (In Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Service Revenue ¹	\$ 174,127	\$ 186,816	\$ 193,372	\$ 210,709	\$ 223,789	\$ 229,929	\$ 227,376	\$ 222,674	\$ 243,639
Other Operating Revenue	798	1,887	4,080	5,343	6,462	8,050	8,098	18,787	15,599
Total Operating Revenues	174,925	188,703	197,452	216,052	230,251	237,979	235,474	241,461	259,238
Operating Expenses	53,029	50,213	56,707	63,068	73,906	81,301	91,226	91,243	94,149
(Less) Tax Revenue ²	(5,996)	(5,956)	(5,726)	(6,309)	(6,441)	(6,564)	(7,213)	(7,567)	(7,683)
Total Operating Expense	47,033	44,257	50,981	56,759	67,465	74,737	84,013	83,676	86,466
Net Revenue Available for Debt Service	127,892	144,446	146,471	159,293	162,786	163,242	151,461	157,785	172,772
Total Debt Service ³	59,773	74,493	79,439	84,721	85,292	70,366	70,366	79,111	80,909
Projected Total Debt Service Coverage ⁴	2.14	1.94	1.84	1.88	1.91	2.32	2.15	1.99	2.14

Source: JCC Finance Department Data (FY 2022 Audited Financial Data issued by Mauldin & Jenkins). Bond year calculations include debt service payments made October 1 of bond year noted and included in the following fiscal year's financial report; and may include payments that haven't been audited by time of issued report

¹ Tax Revenue and Intergovernmental Revenue are excluded from pledged revenues

² Tax Revenue may not be included as pledged revenues, but may be shown as an offset to System operating expenses to calculate coverage

³ Represents total 2013 Sewer Revenue Warrants Senior Lien Series 2013A-C and Subordinate Lien Series 2013D-F debt service payments in bond year dollars, as prescribed by the County indenture. In 2022, this includes \$10,980 of principal and \$69,929 of interest, differing from the \$77,851 shown on the audited financial statements due to the timing of payments

⁴ Debt service coverage metrics rounded down to the second significant digit

DEBT CAPACITY
Schedule 20 - Pledged-Revenue Coverage for Cooper Green Funding Agreement
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sales & Use Tax Receipts ^{1,2}	\$ 42,960	\$ 42,719	\$ 46,891	\$ 45,326	\$ 49,115	\$ 53,095	\$ 50,533	\$ 51,775	\$ 57,068	\$ 61,072
Alcohol Beverage License Receipts ^{1,2}	3,474	3,584	3,867	4,104	4,596	4,822	5,440	4,843	6,294	7,526
Total Indigent Care Fund Receipts	46,434	46,303	50,758	49,430	53,711	57,917	55,973	56,618	63,362	68,598
Maximum Annual Debt Service ³	5,627	5,627	5,627	5,627	5,627	5,627	5,627	5,627	5,627	5,627
Coverage Based on Historical Collections ⁴	8.25	8.23	9.02	8.78	9.55	10.29	9.95	10.06	11.26	12.19

Source: JCC Finance Department Data

¹ The County entered into a Funding Agreement dated September 14, 2022 with Cooper Green Mercy Health Services Authority, An Affiliate of UAB Health System (the "Authority") pursuant to which the County is obligated to make payments to the Authority payable solely from and secured by a limited obligation pledge and assignment of the proceeds of certain taxes levied in the County (the "Pledged Tax Proceeds") that provide funding for the County's Indigent Care Fund. The Pledged Tax Proceeds were pledged by the Authority to pay the debt service on the Authority's \$84,525,000 Revenue Bonds (Jefferson County Funding), Series 2022A.

² Includes only those portions of the Alcohol Beverage License Tax and Sales and Use Tax collected by the County and deposited into the Indigent Care Fund, net of any administrative or collection fees. Amounts have been calculated on a cash basis and may differ from any presentation in the County's Audited Financial Statements, and are therefore considered unaudited information provided by the County.

³ The Maximum Total Annual Debt Service in any future Bond Year is \$5,626,738 for Bond Year 2039.

⁴ Bonds issued September 14, 2022. Historical Revenues and Coverage ratios are provided based on historical revenues and maximum future debt service.

DEBT CAPACITY
Schedule 21 - Pledged-Revenue Coverage for Alabama Transportation Infrastructure Bank Bonds
 Last Ten Fiscal Years - Fiscal Year Ending September 30th (In Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real and Personal Property (Excluding Motor Vehicle's)	\$ 40,260	\$ 40,381	\$ 39,728	\$ 38,207	\$ 42,124	\$ 43,208	\$ 44,619	\$ 46,088	\$ 48,024	\$ 48,876
Motor Vehicles ¹	4,480	4,542	4,631	4,908	4,832	4,575	4,667	4,801	5,125	5,432
Total Pledged 5.1 mill Ad Valorem Tax Revenues	44,740	44,923	44,359	43,115	46,956	47,783	49,286	50,889	53,149	54,308
Maximum Annual Debt Service ²	5,107	5,107	5,107	5,107	5,107	5,107	5,107	5,107	5,107	5,107
Coverage Based on Historical Collections ³	8.76	8.80	8.69	8.44	9.19	9.36	9.65	9.96	10.41	10.63

Source: JCC Finance Department Data

¹ Includes only the current portions of Bridge & Building 5.1 mill ad valorem tax collected by the County. Amounts have been calculated on a cash basis and may differ from any presentation in the County's Audited Financial Statements, and are therefore considered unaudited information provided by the County. Amounts provided by Tax Collector and Department of Revenue

² The Maximum Total Annual Debt Service in any future Fiscal Year is \$5,107,331 in Fiscal Year ending September 30, 2042.

³ Bonds issued July 19, 2022. Historical Revenues and Coverage ratios are provided based on historical revenues and maximum future debt service.

DEMOGRAPHIC AND ECONOMIC INFORMATION
Schedule 22 - Demographic and Economic Statistics
 Last Ten Fiscal Years - Fiscal Year Ending September 30th

Jefferson County

<u>Year</u>	<u>Population</u> ¹	<u>Median Household Income</u> ²	<u>Per Capita Personal Income</u> ²	<u>County Unemployment Rate</u> ³	<u>Birmingham Hoover MA Annual Average Unemployment Rate</u>
2013	659,265	\$49,481	\$29,922	6.2	5.9
2014	659,972	48,260	28,143	5.4	6.0
2015	660,455	52,328	30,619	5.6	5.5
2016	660,343	53,460	32,679	5.3	5.4
2017	659,599	52,886	32,012	3.4	4.0
2018	659,429	56,207	32,257	3.2	3.5
2019	658,573	53,944	32,561	2.3	2.7
2020	674,721	57,802 ⁴	34,929 ⁴	4.6	5.9
2021	674,721	55,210 ⁴	34,181 ⁴	3.1	2.7
2022	674,721	-		2.4	2.4

¹ 2020 US Census Bureau population data for Jefferson County, Alabama

² 2021 Department of Numbers data for Jefferson County, Alabama

³ Federal Reserve Bank (FRED) of St. Louis, Economic Research

⁴ 2022 information unavailable from Department of Numbers data

DEMOGRAPHIC AND ECONOMIC INFORMATION
Schedule 23 - Principal Private Sector Employers
 Last Ten Fiscal Years - Fiscal Year Ending September 30th

<u>Employer</u>	<u>Product</u>	<u>Presence</u>	<u>2022</u>			<u>2013</u>		
			<u># of Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>	<u># of Employees</u>	<u>% of Total Employment</u>	<u>Rank</u>
University of Alabama/Birmingham	Education and health care services	Headquarters	23,000	7%	1	23,000	8%	1
Regions Financial System	Financial Services, banking, corporate headquarters	Headquarters	9,000	3%	2	7,668	3%	2
St Vincent Health System	Health Care services, hospital network serving metro B'ham	Headquarters	5,100	2%	3	4,644	2%	4
Children's Health System	Health Care services, regional specialized health care	Headquarters	5,000	2%	4	3,975	1%	8
AT&T	Telecommunications, regional operate	Regional	4,517	1%	5	5,750	2%	3
Honda Manufacturing of Al	Manufacturing, vehicle assembly plant	Regional	4,500	1%	6	4,500	2%	5
Brookwood Baptist Health	Health Care Services, management	Headquarters	4,459	1%	7		0%	
Jeff Co Board of Education	Government, public education	Headquarters	4,400	1%	8		0%	
City of Birmingham	Government, city administration	Headquarters	4,200	1%	9		0%	
Mercedes Benz	Manufacturing, vehicle assembly plant	Regional	3,600	1%	10	3,500	1%	9
Alabama Power	Utility Services, electrical	Headquarters				3,982	1%	7
Blue Cross Blue Shield of AL						4,000	1%	6
Baptist Health System						3,200	1%	10

Source: Birmingham Business Alliance

* 2022 Information unavailable; 2020 information used.

OPERATING INFORMATION
Schedule 24 - Operating Indicators by Function
 Last Ten Fiscal Years - Fiscal Year Ending September 30th

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sheriff										
General calls	-	-	-	81,591	88,473	87,986	89,310	85,362	87,496	95,383
Traffic calls	-	-	-	21,971	26,061	26,940	26,526	20,352	17,722	15,085
Transportation										
Street resurfacing miles	-	-	-	46	88	103	101	115	73	95
Bridges maintained	292	292	292	292	292	292	292	292	292	293
Total Road miles with an inspection rating of good or higher	-	-	-	-	-	-	-	-	1,125	1,383
Community Services										
Number of senior citizens' one-way passenger trips	-	-	-	35,612	35,424	35,587	34,210	21,916	22,045	29,507
# Accepted Appicants CDBG Housing Rehabilitation	30	30	20	20	20	20	20	20	20	20
# of Workforce participants adults (PROGRAM YEAR)	-	-	-	-	-	237	322	633	919	114
# of Workforce participants dislocated workers	-	-	-	-	-	39	33	39	77	5
Development Services										
Building permits issued	327	336	380	360	325	347	336	357	403	615
Building permits issued(plumbing; gas; electrical)	2,041	2,099	2,251	2,137	1,977	2,693	2,856	2,191	1,424	674
Utility Permits	247	345	309	499	599	465	406	447	377	434
Building structures inspected	5,309	5,101	4,795	5,033	3,645	4,299	5,719	6,441	4,937	5,528
Plan Review	28	19	30	41	36	29	32	61	26	43
Zoning hearings (subdivision; rezoning; adjustments)	117	112	127	114	133	137	147	221	172	217
Registrar of voters										
Voting precincts	178	172	173	174	169	172	172	172	174	175
Active Voters		411,086 *		411,838 *		473,578 *		503,389		435,913
Sewer										
Residential Accounts Served	-	-	-	125,173	127,771	126,929	126,470	128,005	131,705 **	133,181
Non- Residential Accounts Served	-	-	-	15,847	13,861	13,083	14,654	14,223	11,953 **	12,214

- Represent data that is unavailable

* The odd election years only consist of Special Elections

** In fiscal year 2021, the County migrated its legacy billing system from a mainframe to virtual environment, which resulted in an under-reporting of non-residential accounts served and a corresponding over-reporting of residential accounts served for Accounts Billed by Jefferson County. The County expects to launch a new billing system for Accounts Billed by Jefferson County in Spring 2023.

OPERATING INFORMATION
Schedule 25 - Number of County Employees by Function/Program
 Last Ten Fiscal Years - Fiscal Year Ending September 30th

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Commission	21	21	20	22	20	20	20	20	20	20
County Manager	3	3	6	7	18	19	14	8	10	7
Probate Court	44	46	46	46	55	56	56	54	55	55
Family Court	80	82	83	83	83	84	86	80	80	80
State Courts	61	64	55	55	53	54	51	51	47	47
District Attorney	39	39	39	39	41	44	46	43	43	46
Law Library	3	3	3	3	3	4	4	4	4	4
Finance	33	35	32	35	37	40	52	52	54	53
Budget Management	7	9	9	9	9	5	5	0		
Human Resources	17	20	73	58	82	58	61	55	59	49
HR-Receiver	0		7	6	3	2	1	0		
Revenue	126	132	157	158	156	172	173	161	161	161
County Attorney	7	9	10	10	11	12	18	17	17	18
Board of Equalization	73	71	72	71	70	70	69	70	70	71
Tax Assessor	62	64	66	65	71	70	70	69	69	69
Tax Collector	28	32	36	36	42	44	50	43	42	42
Treasurer	8	8	8	8	8	8	8	8	8	8
Land Development	18	18	18	18	19	-	-	-		
Compliance										10
Information Technology	34	34	27	36	40	45	67	51	54	55
General Services	114	115	114	120	145	172	233	198	138	144
Board of Registrars	9	9	9	9	9	10	10	10	10	10
Inspection Services	17	18	18	18	20	-	-	-		
Storm Water Management	8	8	8	8						
Development Services					9	49	50	42	43	56
Non Dept/Barber Commission	1	1	1	1	1	1	3	5	5	5
Delegation Office	1									
Non Departmental Retirement Credit	19									
Public Information							3 *	2 *	2	3
Community Development	34	35	35	35	36	36	43	38	41	40
Pension*	10	10	9	9	8	7	8	9		
Personnel Board*	64	66	66	76	76	76	70	70	64	66
Public Safety										
Sheriff	646	645	688	691	724	724	724	722	719	719
Youth Detention	53	53	53	53	54	54	65	52	51	65
Coroner	17	17	17	17	17	18	18	20	20	21
Security									59	54
Emergency Management*	10	10	9	7	7	6	7	7	7	7
Highways and Roads										
Roads and Transportation	195	196	196	207	261	300	326	340	338	326
Fleet Management*	26	26	26	26	27	30	42	33	33	33
Health and Welfare										
Office Senior Services	11	20	30	31	10	5	4	4	4	4
Cooper Green	648	256	241	173	219	228	227	219		
JRHC	73	-								
Environmental Services										
Environmental Services	437	441	441	455	478	509	526	554	544	554
	3,057	2,616	2,728	2,701	2,922	3,032	3,210	3,111	2,871	2,902

Source: JCC Budget Management Office
 * includes Fiduciary Funds

OPERATING INFORMATION
Schedule 26 - Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years - Fiscal Year Ending September 30th

	2013*	2014*	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
General Government										
Commission										
County Manager										
Probate Court				10,998		13,498		687,975		
Family Court			105,410	28,898	29,309	75,624			236,004	
State Courts										
District Attorney	28,453					29,292		104,631		
Law Library		101,000								
Finance					120,874	182,425			13,043	9,232
Budget Management										
Human Resources	79,500						130,707			
HR-Receiver			847,339							
Revenue	1,900,461	1,300,000	132,438	165,408	49,030	91,574	24,174	86,263	5,732	61,568
County Attorney							54,270	31,831		
Board of Equalization	662,655	630,000	359,522	128,292	276,562	265,761	728,461	188,000	145,176	827,375
Tax Assessor	1,844,259	1,538,818		8,850		233,971		651,637	932,271	1,265,017
Tax Collector	300,000	300,000								
Treasurer										
Land Development			48,650		114,043					
Info Technology	566,720	5,860,000	3,190,662	1,500,907	1,238,565	401,743	160,344	2,252,794	1,221,603	1,298,024
General Services	1,125,438	4,600,000	3,963,177	2,865,787	4,746,695	10,293,245	19,613,421	8,132,740	7,357,616	6,522,025
Board of Registrars										
Inspection Services			105,888	51,744	83,190					
Development Service								519,971	263,755	446,415
Non Dept/Barber										
Public Information										
Community Devp										
Personnel Board	15,000	89,192	491,941		725,667		25,612			
Public Safety										
Sheriff	1,295,232	2,050,000	3,250,787	2,772,282	2,890,621	3,879,286	2,130,981	3,247,141	2,823,802	4,179,430
Youth Detention	20,000	21,000		42,351				73,917	60,000	
Coroner		25,000	27,916	96,596	99,849	69,932		39,704	149,197	265,987
Security										31,004
Emergency Mgmt										34,332
Highways and Roads										
Roads and Trans	6,000	4,899,000	11,796,434	10,782,828	11,299,645	7,606,996	19,245,798	23,268,582	17,464,644	25,732,858
Fleet Mgmt			531,841	585,789	290,818	441,382	169,602	578,987	494,747	502,222
Health and Welfare										
Office Senior Svs.										
Cooper Green			216,258	586,305	775,422	110,745	11,688			
Environmental Svs										
Environmental Svs	11,623,455	6,398,600	31,903,123	39,964,957	78,428,882	68,476,815	57,168,811	39,094,926	37,721,145	57,278,972
	19,467,173	27,812,610	56,971,386	59,591,992	101,169,172	92,172,289	99,463,869	78,959,099	68,888,735	98,454,461

Source: JCC Budget Management Office

* Adopted 13, and 14

DEBT SERVICE SCHEDULES
Schedule 27 - Warrants Maturity Schedules
(In Thousands)

Fiscal Year Ending 30-Sep	Business-Type Activities ¹				Governmental Activities ²				Total Debt Obligations			
	Principal	Interest	Future Interest Accretion	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Principal and Interest	Future Interest Accretion	Total Debt Service
2023	\$11,844	\$70,001	\$82,638	\$164,483	\$34,034	\$20,782	\$54,816	\$45,878	\$90,783	\$136,661	\$82,638	\$219,299
2024	15,670	105,575	15,046	136,291	\$35,954	\$18,862	54,816	51,624	124,437	176,061	15,046	191,107
2025	917	141,421	16,146	158,484	\$29,529	\$17,069	46,598	30,446	158,490	188,936	16,146	205,082
2026	4,923	141,392	17,061	163,376	\$31,000	\$15,597	46,597	35,923	156,989	192,912	17,061	209,973
2027	8,587	141,363	17,743	167,693	\$18,456	\$14,052	32,508	27,043	155,415	182,458	17,743	200,201
2028	11,924	141,334	18,162	171,420	\$19,373	\$13,135	32,508	31,297	154,469	185,766	18,162	203,928
2029	14,490	141,302	18,163	173,955	\$20,335	\$12,172	32,507	34,825	153,474	188,299	18,163	206,462
2030	16,769	141,270	17,733	175,772	\$21,344	\$11,160	32,504	38,113	152,430	190,543	17,733	208,276
2031	18,691	141,237	16,810	176,738	\$22,353	\$10,155	32,508	41,044	151,392	192,436	16,810	209,246
2032	20,356	141,204	15,341	176,901	\$23,467	\$9,043	32,510	43,823	150,247	194,070	15,341	209,411
2033	21,697	141,168	13,257	176,122	\$24,628	\$7,876	32,504	46,325	149,044	195,369	13,257	208,626
2034	22,586	141,135	10,510	174,231	\$25,854	\$6,651	32,505	48,440	147,786	196,226	10,510	208,736
2035	23,274	141,128	7,159	171,561	\$27,141	\$5,364	32,505	50,415	146,492	196,907	7,159	204,066
2036	24,015	141,128	3,013	168,156	\$28,494	\$4,015	32,509	52,509	145,143	197,652	3,013	200,665
2037	39,343	140,196	-	179,539	\$29,668	\$2,837	32,505	69,011	143,033	212,044	-	212,044
2038	72,367	136,470	-	208,837	\$6,697	\$1,652	8,349	79,064	138,122	217,186	-	217,186
2039	87,064	130,688	-	217,752	\$6,968	\$1,385	8,353	94,032	132,073	226,105	-	226,105
2040	94,626	124,429	-	219,055	\$7,244	\$1,108	8,352	101,870	125,537	227,407	-	227,407
2041	70,748	118,896	-	189,644	\$7,532	\$819	8,351	78,280	119,715	197,995	-	197,995
2042	76,033	114,202	-	190,235	\$7,841	\$512	8,353	83,874	114,714	198,588	-	198,588
2043	81,711	109,159	-	190,870	\$805	\$195	1,000	82,516	109,354	191,870	-	191,870
2044	66,639	104,348	-	170,987	\$836	\$164	1,000	67,475	104,512	171,987	-	171,987
2045	76,924	99,550	-	176,474	\$868	\$132	1,000	77,792	99,682	177,474	-	177,474
2046	85,669	93,575	-	179,244	\$902	\$98	1,000	86,571	93,673	180,244	-	180,244
2047	100,328	86,524	-	186,852	\$936	\$64	1,000	101,264	86,588	187,852	-	187,852
2048	114,767	78,664	-	193,431	\$974	\$29	1,003	115,741	78,693	194,434	-	194,434
2049	129,684	69,695	-	199,379	\$0	\$0	-	129,684	69,695	199,379	-	199,379
2050	142,861	59,072	-	201,933	\$0	\$0	-	142,861	59,072	201,933	-	201,933
2051	166,530	47,048	-	213,578	\$0	\$0	-	166,530	47,048	213,578	-	213,578
2052	194,545	34,621	-	229,166	\$0	\$0	-	194,545	34,621	229,166	-	229,166
2053	215,825	21,653	-	237,478	\$0	\$0	-	215,825	21,653	237,478	-	237,478
2054	238,970	7,463	-	246,433	\$0	\$0	-	238,970	7,463	246,433	-	246,433
Subtotal:	2,270,377	3,446,911	268,782	5,986,070	433,233	174,928	608,161	2,703,610	3,621,839	6,325,449	268,782	6,594,231
Unamortized Premium (Discount)	(27,860)	-	-	(27,860)	34,519	-	34,519	6,659	-	6,659	-	6,659
Total	\$ 2,242,517	\$ 3,446,911	\$ 268,782	\$ 5,958,210	\$ 467,752	\$ 174,928	\$ 642,680	\$ 2,710,269	\$ 3,621,839	\$ 6,332,108	\$ 268,782	\$ 6,600,890

Source: JCC Finance Department Data (FY22 Audited Financial Data)

¹ Business-Type Activities Warrants payable include obligations for warrants issued in the name of the Jefferson County Commission for the primary purpose of sewer capital projects and related improvements (Business-Type Activities – Sewer Revenue Warrants), and Limited Obligation Bonds Payable for the primary purpose of capital projects and related improvements (Hallmark District - Jefferson County Limited Funding. See Business-Type Activities in Note 7 for details on accretion.

² Governmental Activities Warrants payable include obligations for warrants issued in the name of the Jefferson County Commission for the primary purpose of general capital projects and related improvements (Governmental Activities – General Obligation Refunding Warrants), for the primary purpose of school capital projects and related improvements (Governmental Activities – Limited Obligation Refunding Warrants), and funding agreements for the primary purpose of economic development (Limited Funding Agreement BJCC).

DEBT SERVICE SCHEDULES
Schedule 28 - Senior Lien Sewer Revenue Warrants Series 2013-A through Series 2013-C
 Business-Type Activities (In Thousands)

Fiscal Year Ending 30-Sept	Series 2013-A (Tax Exempt) ¹			Series 2013-B (Tax Exempt) ²			Series 2013-C (Tax Exempt) ³			TOTAL - Sewer Revenue Senior Warrants				
	Principal	Interest	Total Debt Service	Principal	Future Interest Accretion	Total Debt Service	Principal	Interest	Future Interest Accretion	Total Debt Service	Principal	Interest	Future Interest Accretion	Total Debt Service
2023	\$ -	\$21,071	\$21,071	\$ -	\$6,122	\$6,122	\$ -	\$ -	\$18,195	\$18,195	\$ -	\$21,071	\$24,317	\$45,388
2024	-	21,071	21,071	-	6,516	6,516	-	9,555	-	9,555	-	30,626	6,516	37,142
2025	-	21,071	21,071	-	6,936	6,936	-	19,109	-	19,109	-	40,180	6,936	47,116
2026	-	21,071	21,071	3,979	7,115	11,094	-	19,109	-	19,109	3,979	40,180	7,115	51,274
2027	-	21,071	21,071	7,615	7,003	14,618	-	19,109	-	19,109	7,615	40,180	7,003	54,798
2028	-	21,071	21,071	10,923	6,565	17,488	-	19,109	-	19,109	10,923	40,180	6,565	57,668
2029	-	21,071	21,071	8,268	6,257	14,525	-	19,109	-	19,109	8,268	40,180	6,257	54,705
2030	-	21,071	21,071	7,719	5,917	13,636	-	19,109	-	19,109	7,719	40,180	5,917	53,816
2031	-	21,071	21,071	7,188	5,541	12,729	-	19,109	-	19,109	7,188	40,180	5,541	52,909
2032	-	21,071	21,071	6,751	5,142	11,893	-	19,109	-	19,109	6,751	40,180	5,142	52,073
2033	-	21,071	21,071	6,264	4,702	10,966	-	19,109	-	19,109	6,264	40,180	4,702	51,146
2034	-	21,071	21,071	5,876	4,234	10,110	-	19,109	-	19,109	5,876	40,180	4,234	50,290
2035	-	21,071	21,071	10,903	2,913	13,816	-	19,109	-	19,109	10,903	40,180	2,913	53,996
2036	-	21,071	21,071	10,217	1,504	11,721	-	19,109	-	19,109	10,217	40,180	1,504	51,901
2037	-	21,071	21,071	9,570	-	9,570	-	19,109	-	19,109	9,570	40,180	-	49,750
2038	-	21,071	21,071	-	-	-	22,363	18,334	-	40,697	22,363	39,405	-	61,768
2039	-	21,071	21,071	-	-	-	23,812	16,735	-	40,547	23,812	37,806	-	61,618
2040	-	21,071	21,071	-	-	-	25,340	15,017	-	40,357	25,340	36,088	-	61,428
2041	-	21,071	21,071	-	-	-	27,008	13,174	-	40,182	27,008	34,245	-	61,253
2042	-	21,071	21,071	-	-	-	28,793	11,209	-	40,002	28,793	32,280	-	61,073
2043	-	21,071	21,071	-	-	-	30,691	9,114	-	39,805	30,691	30,185	-	60,876
2044	34,915	20,198	55,113	-	-	-	-	8,033	-	8,033	34,915	28,231	-	63,146
2045	36,660	18,409	55,069	-	-	-	-	8,033	-	8,033	36,660	26,442	-	63,102
2046	-	17,493	17,493	-	-	-	36,017	6,734	-	42,751	36,017	24,227	-	60,244
2047	29,300	16,723	46,023	-	-	-	11,033	5,037	-	16,070	40,333	21,760	-	62,093
2048	43,425	14,814	58,239	-	-	-	-	4,640	-	4,640	43,425	19,454	-	62,879
2049	45,705	12,475	58,180	-	-	-	-	4,640	-	4,640	45,705	17,115	-	62,820
2050	-	11,275	11,275	-	-	-	44,945	2,980	-	47,925	44,945	14,255	-	59,200
2051	32,285	10,387	42,672	-	-	-	17,885	660	-	18,545	50,170	11,047	-	61,217
2052	54,520	8,000	62,520	-	-	-	-	-	-	-	54,520	8,000	-	62,520
2053	57,515	4,919	62,434	-	-	-	-	-	-	-	57,515	4,919	-	62,434
2054	60,680	1,669	62,349	-	-	-	-	-	-	-	60,680	1,669	-	62,349
Subtotal	395,005	578,853	973,858	95,273	76,467	171,740	267,887	382,312	18,195	668,394	758,165	961,165	94,662	1,813,992
Unamortized Premium (Discount)	(6,163)		(6,163)	(858)		(858)	(2,341)			(2,341)	(9,362)			(9,362)
Total	\$ 388,842	\$ 578,853	\$ 967,695	\$ 94,415	\$ 76,467	\$ 170,882	\$ 265,546	\$ 382,312	\$ 18,195	\$ 666,053	\$ 748,803	\$ 961,165	\$ 94,662	\$ 1,804,630

Source: JCC Finance Department Data (FY22 Audited Financial Data)

¹ Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A, with interest paid semiannually at fixed rates ranging from 5.00% to 5.50% and principal payments due from October 1, 2044 to 2053.

² Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B, with interest accruing & compounding semiannually at fixed rates of 5.625% to 6.625% to maturity, with accreted value (principal and interest) payments due from October 1, 2026 to 2036. Principal presented as original issue amount of \$55,000 plus net accreted interest of \$40,273.

³ Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C, with interest compounding semiannually at fixed rates of 6.50% to 6.90% to October 1, 2023, and thereafter interest paid semiannually with accreted value payments (principal and interest) due from October 1, 2038 to 2050. Principal presented as original issue amount of \$149,998 plus net accreted interest of \$117,888.

DEBT SERVICE SCHEDULES
Schedule 29 - Subordinate Lien Sewer Revenue Warrants Series 2013-D through Series 2013-F
 Business-Type Activities (In Thousands)

Fiscal Year Ending 30-Sept	Series 2013-D (Tax Exempt) ¹			Series 2013-E (Tax Exempt) ²			Series 2013-F (Tax Exempt) ³			TOTAL - Sewer Revenue Senior Warrants				
	Principal	Interest	Total Debt Service	Principal	Future Interest Accretion	Total Debt Service	Principal	Interest	Future Interest Accretion	Total Debt Service	Principal	Interest	Future Interest Accretion	Total Debt Service
2023	\$ 10,980	\$ 48,583	\$ 59,563	\$ 0	\$ 7,899	\$ 7,899	\$ 0	\$ 0	\$ 50,422	\$ 50,422	\$ 10,980	\$ 48,583	\$ 58,321	\$ 117,884
2024	14,780	47,939	62,719	-	8,530	8,530	-	26,689	-	26,689	14,780	74,628	8,530	97,938
2025	-	47,570	47,570	-	9,210	9,210	-	53,378	-	53,378	-	100,948	9,210	110,158
2026	-	47,570	47,570	-	9,946	9,946	-	53,378	-	53,378	-	100,948	9,946	110,894
2027	-	47,570	47,570	-	10,740	10,740	-	53,378	-	53,378	-	100,948	10,740	111,688
2028	-	47,570	47,570	-	11,597	11,597	-	53,378	-	53,378	-	100,948	11,597	112,545
2029	-	47,570	47,570	5,191	11,906	17,097	-	53,378	-	53,378	5,191	100,948	11,906	118,045
2030	-	47,570	47,570	7,988	11,816	19,804	-	53,378	-	53,378	7,988	100,948	11,816	120,752
2031	-	47,570	47,570	10,409	11,269	21,678	-	53,378	-	53,378	10,409	100,948	11,269	122,626
2032	-	47,570	47,570	12,478	10,199	22,677	-	53,378	-	53,378	12,478	100,948	10,199	123,625
2033	-	47,570	47,570	14,272	8,555	22,827	-	53,378	-	53,378	14,272	100,948	8,555	123,775
2034	-	47,570	47,570	15,820	6,276	22,096	-	53,378	-	53,378	15,820	100,948	6,276	123,044
2035	-	47,570	47,570	12,371	4,246	16,617	-	53,378	-	53,378	12,371	100,948	4,246	117,565
2036	-	47,570	47,570	13,798	1,509	15,307	-	53,378	-	53,378	13,798	100,948	1,509	116,255
2037	-	47,570	47,570	6,669	-	6,669	23,104	52,446	-	75,550	29,773	100,016	-	129,789
2038	-	47,570	47,570	-	-	-	50,004	49,495	-	99,499	50,004	97,065	-	147,069
2039	37,500	46,445	83,945	-	-	-	25,752	46,437	-	72,189	63,252	92,882	-	156,134
2040	40,505	44,105	84,610	-	-	-	28,781	44,236	-	73,017	69,286	88,341	-	157,627
2041	43,740	41,577	85,317	-	-	-	-	43,074	-	43,074	43,740	84,651	-	128,391
2042	47,240	38,848	86,088	-	-	-	-	43,074	-	43,074	47,240	81,922	-	129,162
2043	51,020	35,900	86,920	-	-	-	-	43,074	-	43,074	51,020	78,974	-	129,994
2044	-	34,370	34,370	-	-	-	31,724	41,747	-	73,471	31,724	76,117	-	107,841
2045	-	34,370	34,370	-	-	-	40,264	38,738	-	79,002	40,264	73,108	-	113,372
2046	-	34,370	34,370	-	-	-	49,652	34,978	-	84,630	49,652	69,348	-	119,000
2047	-	34,370	34,370	-	-	-	59,995	30,394	-	90,389	59,995	64,764	-	124,759
2048	-	34,370	34,370	-	-	-	71,342	24,840	-	96,182	71,342	59,210	-	130,552
2049	-	34,370	34,370	-	-	-	83,979	18,210	-	102,189	83,979	52,580	-	136,559
2050	-	34,370	34,370	-	-	-	97,916	10,447	-	108,363	97,916	44,817	-	142,733
2051	42,940	32,867	75,807	-	-	-	73,420	3,134	-	76,554	116,360	36,001	-	152,361
2052	140,025	26,621	166,646	-	-	-	-	-	-	-	140,025	26,621	-	166,646
2053	158,310	16,734	175,044	-	-	-	-	-	-	-	158,310	16,734	-	175,044
2054	178,290	5,794	184,084	-	-	-	-	-	-	-	178,290	5,794	-	184,084
Subtotal	765,330	1,291,983	2,057,313	98,996	123,698	222,694	635,933	1,191,549	50,422	1,877,904	1,500,259	2,483,532	174,120	4,157,911
Unamortized Premium (Discount)	(12,653)		(12,653)	(784)		(784)	(5,060.20)			(5,060)	(18,498)	-	-	(18,498)
Total	\$ 752,677	\$ 1,291,983	\$ 2,044,660	\$ 98,212	\$ 123,698	\$ 221,910	\$ 630,873	\$ 1,191,549	\$ 50,422	\$ 1,872,844	\$ 1,481,761	\$ 2,483,532	\$ 174,120	\$ 4,139,413

Source: JCC Finance Department Data (FY22 Audited Financial Data)

¹ Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D, with interest paid semiannually at fixed rates ranging from 5.00% to 7.00% and principal payments due from October 1, 2017 to 2053.

² Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E, with interest accreting and compounding semiannually at fixed rates of 7.50% to 8.00% to maturity, with accreted value (principal and interest) payments due from October 1, 2029 to 2036. Principal presented as original issue amount of \$50,271 plus net accreted interest of \$48,725.

³ Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F, with interest accreting and compounding semiannually at fixed rates of 7.50% to 7.90% to October 1, 2023, and thereafter interest paid semiannually with accreted value payments (principal and interest) due from October 1, 2037 to 2050. Principal presented as original issue amount of \$324,297 plus net accreted interest of \$311,636.

DEBT SERVICE SCHEDULES
Schedule 30 - Hallmark Cooperative District Capital Improvement Loan Series 2019
 Business-Type Activities (In Thousands)

Hallmark Cooperative District Capital Improvement Loan¹			
Fiscal Year Ending 30-Sep	Principal	Interest	Total Debt Service
2023	\$ 864	\$ 347	\$ 1,211
2024	890	321	1,211
2025	917	293	1,210
2026	944	264	1,208
2027	972	235	1,207
2028	1,001	206	1,207
2029	1,031	174	1,205
2030	1,062	142	1,204
2031	1,094	109	1,203
2032	1,127	76	1,203
2033	1,161	40	1,201
2034	890	7	897
	\$ 11,953	\$ 2,214	\$ 14,167

Source: JCC Finance Department Data (FY22 Audited Financial Data)

¹ Limited Obligation Funding Agreement with interest paid quarterly at fixed rates ranging from 3.00% to 3.80% and principal payments due from July 1, 2021 through April 1, 2034.

DEBT SERVICE SCHEDULES
Schedule 31 - Series 2018-A General Obligation Refunding Warrants
 Governmental Activities (In Thousands)

Series 2018-A General Obligation Refunding (Tax Exempt)¹

<u>Fiscal Year Ending 30-Sep</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 19,050	\$ 3,263	\$ 22,313
2024	20,000	2,310	22,310
2025	12,780	1,310	14,090
2026	13,420	671	14,091
Subtotal	65,250	7,554	72,804
Unamortized Premium (Discount)	2,689		2,689
Total	\$ 67,939	\$ 7,554	\$ 75,493

Source: JCC Finance Department Data (FY22 Audited Financial Data)

¹General Obligation Refunding Warrants, Series 2018-A, with interest paid semiannually at fixed rates ranging from 4.00% to 5.00% and annual principal payments through 2026. The Commission issued Series 2018-A under the Trust Indenture dated May 1, 2018 (2018 Trust Indenture), between Jefferson County, Alabama, and Wilmington Trust National Association, as Trustee, for the purpose of refunding the General Obligation Warrants, Series 2003-A and 2004-A, and the Lease Revenue Warrants, Series 2006. These refunded warrants were defeased on May 31, 2018, and fully redeemed pursuant to their terms on July 2, 2018. Debt Service Requirements and Coverage is reflected on page 3 of the Official Statement dated September 17, 2018.

DEBT SERVICE SCHEDULES
Schedule 32 - Series 2017 Limited Obligation Refunding Warrants
 Governmental Activities (In Thousands)

Series 2017 Limited Obligation Refunding (Tax Exempt)¹			
Fiscal Year Ending 30-Sep	Principal	Interest	Total Debt Service
2023	\$ 12,785	\$ 13,615	\$ 26,400
2024	13,425	12,975	26,400
2025	14,100	12,304	26,404
2026	14,800	11,599	26,399
2027	15,545	10,859	26,404
2028	16,320	10,082	26,402
2029	17,135	9,266	26,401
2030	17,990	8,409	26,399
2031	18,835	7,566	26,401
2032	19,780	6,624	26,404
2033	20,765	5,635	26,400
2034	21,805	4,597	26,402
2035	22,895	3,506	26,401
2036	24,040	2,362	26,402
2037	25,000	1,400	26,400
2038	1,845	400	2,245
2039	1,920	326	2,246
2040	2,000	249	2,249
2041	2,075	169	2,244
2042	2,160	86	2,246
Subtotal	285,220	122,029	407,249
Unamortized Premium (Discount)	27,450		27,450
Total	\$ 312,670	\$ 122,029	\$ 434,699

Source: JCC Finance Department Data (FY22 Audited Financial Data)

¹Limited Obligation Refunding Warrants, Series 2017, with interest paid semiannually at fixed rates ranging from 3.00% to 5.00% and annual principal payments through 2037. The Commission issued refunding warrants under the Trust Indenture dated July 1, 2017 (2017 Trust Indenture), between Jefferson County, Alabama and Regions Bank, as Trustee, for the purpose of refunding the outstanding Limited Obligation School Warrants, Series 2004-A and Series 2005-A. The Limited Obligation School Warrants, Series 2005-B, were fully redeemed pursuant to their terms on March 1, 2017. The warrants issued under the 2017 Trust Indenture are not general obligations of the Commission, but represent limited obligations of the Commission, payable solely out of the Trust Estate established under the 2017 Trust Indenture, which includes a pledge of the gross proceeds of a new one cent Special Revenue Sales and Use Tax. Payment of the principal and interest on the warrants when due is secured on an equal and proportionate basis by the Trust Estate. Debt Service Requirements and Coverage are reflected on page 16 of the Official Statement dated July 14, 2017.

DEBT SERVICE SCHEDULES
**Schedule 33- Alabama Transportation Infrastructure Bank Limited Obligation Revenue
 Bonds (Jefferson County Project) Series 2022-B**
 Governmental Activities (In Thousands)

Series 2022B ATIB Limited Obligation Revenue Bonds¹			
Fiscal Year Ending 30-Sep	Principal	Interest	Total Debt Service
2023	\$ 1,820	\$ 3,283	\$ 5,103
2024	2,135	2,971	5,106
2025	2,240	2,864	5,104
2026	2,355	2,752	5,107
2027	2,470	2,634	5,104
2028	2,595	2,511	5,106
2029	2,725	2,381	5,106
2030	2,860	2,245	5,105
2031	3,005	2,102	5,107
2032	3,155	1,951	5,106
2033	3,310	1,794	5,104
2034	3,475	1,628	5,103
2035	3,650	1,454	5,104
2036	3,835	1,272	5,107
2037	4,025	1,080	5,105
2038	4,185	919	5,104
2039	4,355	752	5,107
2040	4,525	578	5,103
2041	4,710	397	5,107
2042	4,905	202	5,107
Subtotal	66,335	35,770	102,105
Unamortized Premium (Discount)	4,380		4,380
Total	\$ 70,715	\$ 35,770	\$ 106,485

Source: JCC Finance Department Data (FY22 Audited Financial Data)

¹Alabama Transportation Infrastructure Bank Limited Obligation Revenue Bonds (Jefferson County Project) Series 2022-B, with interest paid annually at fixed rates ranging from 4.125% to 5.00% and annual principal payments through 2042. The Bonds are being issued by Alabama Transportation Infrastructure Bank (the "Issuer"), a public corporation created under Section 23-7 et seq. of the Code of Alabama (1975), as amended. The Bonds are being issued under that certain Trust Indenture, dated July 1, 2022 (the "Indenture"), between the Issuer and Regions Bank, as trustee. Proceeds of the Bonds will be loaned by the Issuer to Jefferson County, Alabama (the "Loan Recipient"), pursuant to a Loan Agreement, dated July 1, 2022, between the Issuer and the Loan Recipient to pay the costs of certain road and bridge improvements to be located in Jefferson County, Alabama.

DEBT SERVICE SCHEDULES
**Schedule 34 - Birmingham Jefferson Civic Center Authority Funding Agreement Series
 2018E**
 (In Thousands)

Series 2018E BJCCA Funding Agreement¹

Fiscal Year Ending 30-Sep	Principal	Interest	Total Debt Service
2023	\$ 379	\$ 621	\$ 1,000
2024	394	606	1,000
2025	409	591	1,000
2026	425	575	1,000
2027	441	559	1,000
2028	458	542	1,000
2029	475	525	1,000
2030	494	506	1,000
2031	513	487	1,000
2032	532	468	1,000
2033	553	447	1,000
2034	574	426	1,000
2035	596	404	1,000
2036	619	381	1,000
2037	643	357	1,000
2038	667	333	1,000
2039	693	307	1,000
2040	719	281	1,000
2041	747	253	1,000
2042	776	224	1,000
2043	805	195	1,000
2044	836	164	1,000
2045	868	132	1,000
2046	902	98	1,000
2047	936	64	1,000
2048	974	29	1,003
	\$ 16,428	\$ 9,573	\$ 26,003

Source: JCC Finance Department Data

¹ General obligation of the County with semi-annual payments applied to principal and interest. Interest payments have an effective rate of 3.76%, representing the combined effect of the Birmingham Jefferson County Civic Center's fixed interest rates of 3.35% to 5%.