

Report on the

Office of Treasurer

Jefferson County, Alabama

October 1, 2007 through September 30, 2008

Filed: January 8, 2010



Department of Examiners of Public Accounts

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Ronald L. Jones, Chief Examiner



Ronald L. Jones
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Honorable Ronald L. Jones
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Sir:

Under the authority of the *Code of Alabama 1975*, Section 41-5-21, I submit this report on the results of the examination of the Office of Treasurer, Jefferson County, Alabama, for the period October 1, 2007 through September 30, 2008.

Sworn to and subscribed before me this
the 17 day of December, 2009.

Sheryl A. Mize
Notary Public
8/3/2011

rb

Respectfully submitted,

Adam Vann
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**Office of Treasurer
Jefferson County, Alabama
October 1, 2007 through September 30, 2008**

The Office of Treasurer, Jefferson County, Alabama, (hereinafter referred to as the "Treasurer") acts as custodian for the Jefferson County Commission and acts in a trust or fiduciary capacity for the Probate Courts, Sheriff's Fund, Law Libraries, District Attorney's Funds and others in accordance with *Code of Alabama 1975*, Section 11-4-23. The Treasurer's duties include, but are not limited to, the payment of all claims presented and maintaining an accurate accounting of all receipts and disbursements.

Honorable Barry K. Stephenson served as Treasurer from October 1, 2007 through February 27, 2008. Honorable Kenneth Gomany served as Treasurer from February 28, 2008 through September 30, 2008.

This report presents the results of an examination of the Treasurer and a review of compliance by the Treasurer with applicable laws and regulations of the State of Alabama in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5-14.

Tests performed during the examination did not disclose any material instances of noncompliance with applicable state or local laws and regulations.

The following officials were invited to an exit conference to discuss the results of the examination: Jefferson County Treasurers: Barry K. Stevenson and Kenneth Gomany. The exit conference was held via a teleconference to discuss the results of the examination. Those participating in the teleconference were: Jefferson County Treasurers: Barry K. Stephenson, Kenneth Gomany and Jennifer Champion; and a representative of the Department of Examiners of Public Accounts: Adam Vann, Examiner of Public Accounts.

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Financial Information

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Summary of Cash and Investments
September 30, 2008

| | Total |
|-----------------------------|--------------------------------|
| <u>Cash in Banks</u> | |
| Operating Funds | \$ (6,428,039.59) |
| Enterprise Funds | 97,567.54 |
| Fiduciary Funds | 105,545.72 |
| Trust Funds | 1,806,712.57 |
| Sub-Total | <u>(4,418,213.76)</u> |
| Investments | 63,574,000.00 |
| Total | <u><u>\$ 59,155,786.24</u></u> |

Statement of Receipts, Disbursements and Balances
Operating Funds
October 1, 2007 through September 30, 2008

| Fund/Account | Office | Treasurer's Balance 10/01/2007 |
|-----------------------------------|---------------|---|
| Operating | Birmingham | \$ 266,253.15 |
| Accounts Payable | Birmingham | (3,538,030.55) |
| Payroll | Birmingham | (72,948.22) |
| Petty Cash | Birmingham | 4,114.88 |
| Transfer Fund, Bessemer Treasurer | Bessemer | 57,271.38 |
| Total Operating Funds | | <u>\$ (3,283,339.36)</u> |

| Receipts | Transfers In | Disbursements | Transfers Out | Treasurer's Balance 09/30/2008 |
|--------------------------|----------------------------|------------------------------|----------------------------|---|
| \$ 347,923,503.22 | \$ 2,689,806,146.51 | \$ (2,468,319,000.00) | \$ (569,500,341.35) | \$ 176,561.53 |
| | 287,112,540.07 | (290,165,580.98) | | (6,591,071.46) |
| | 35,383,112.34 | (35,367,818.07) | | (57,653.95) |
| 324,485.24 | | (325,463.00) | | 3,137.12 |
| 2,541,753.97 | | (2,558,002.18) | (36.00) | 40,987.17 |
| \$ 350,789,742.43 | \$ 3,012,301,798.92 | \$ (2,796,735,864.23) | \$ (569,500,377.35) | \$ (6,428,039.59) |

Statement of Receipts, Disbursements and Balances
Enterprise Funds
October 1, 2007 through September 30, 2008

| Cooper Green Hospital | Office | Treasurer's Balance 10/01/2007 |
|------------------------------|---------------|---|
| Operating | Birmingham | \$ 131,173.99 |
| Total Enterprise Funds | | <u>\$ 131,173.99</u> |

| Receipts | Transfers In | Disbursements | Transfers Out | Treasurer's Balance 09/30/2008 |
|------------------|-------------------------|----------------------|--------------------------|---|
| \$ 12,380,674.72 | \$ 167,705,592.60 | \$ | \$ (180,119,873.77) | \$ 97,567.54 |
| \$ 12,380,674.72 | \$ 167,705,592.60 | \$ | \$ (180,119,873.77) | \$ 97,567.54 |

Statement of Receipts, Disbursements and Balances
Fiduciary Funds
October 1, 2007 through September 30, 2008

| Fund/Account | Office | Treasurer's Balance 10/01/2007 |
|----------------------------|---------------|---|
| Redemption Fund | Birmingham | \$ 42,308.64 |
| Redemption Investment Fund | Birmingham | |
| Redemption Fund | Bessemer | 80,825.04 |
| Special Witness Fund | Birmingham | 1,497.49 |
| Total Fiduciary Funds | | <u>\$ 124,631.17</u> |

| Receipts | Transfers In | Disbursements | Transfers Out | Treasurer's Balance 09/30/2008 |
|-------------------------|--------------------------|---------------------------|---------------------------|---|
| \$ 24,368,303.09 | \$ 30,834,160.44 | \$ (31,221,583.59) | \$ (23,979,004.42) | \$ 44,184.16 |
| | 78,141,145.25 | (6,578,455.85) | (71,561,962.75) | 726.65 |
| 3,678,816.59 | 4,627,527.91 | (6,051,784.29) | (2,282,000.00) | 53,385.25 |
| 428,608.43 | 84,000.00 | (84,856.26) | (422,000.00) | 7,249.66 |
| \$ 28,475,728.11 | \$ 113,686,833.60 | \$ (43,936,679.99) | \$ (98,244,967.17) | \$ 105,545.72 |

Statement of Receipts, Disbursements and Balances
Trust Funds
October 1, 2007 through September 30, 2008

| Fund/Account | Office | Treasurer's Balance 10/01/2007 |
|---------------------------------|---------------|---|
| Tax Assessor Special - New | Birmingham | \$ 5,304.89 |
| Assistant Tax Assessor Special | Bessemer | 8,562.73 |
| Tax Collector Special - New | Birmingham | 5,207.93 |
| Assistant Tax Collector Special | Bessemer | 6,196.67 |
| Sheriff's Special | Birmingham | 50,665.16 |
| Sheriff's Service | Birmingham | 301,936.09 |
| District Attorney | Birmingham | 146,111.26 |
| District Attorney | Bessemer | 460,209.67 |
| Worthless Checks | Birmingham | |
| Worthless Checks | Bessemer | 1.00 |
| Probate Court | Birmingham | 101,844.04 |
| Probate Court | Bessemer | 59,011.31 |
| Barber Commission | Birmingham | 7,362.26 |
| General Retirement | Birmingham | 3,337,852.38 |
| Section 415M Plan | Birmingham | 128,584.54 |
| Law Library | Bessemer | 28,116.16 |
| Law Library | Birmingham | 79,021.04 |
| Law Library - Money Market | Bessemer | 2,704.60 |
| Legislative Fund | Birmingham | 171,150.33 |
| Legislative Delegation Fund | Bessemer | 2,192.42 |
| License and Bond Fund | Birmingham | 20,583.52 |
| Savings Bond Fund | Birmingham | 8,588.97 |
| Investment Account | Birmingham | 396.96 |
| Total | | <u>\$ 4,931,603.93</u> |

| Receipts | Transfers In | Disbursements | Transfers Out | Treasurer's Balance 09/30/2008 |
|-------------------------|----------------------------|------------------------------|---------------------------|--------------------------------------|
| \$ 9,751.69 | \$ | \$ (5,004.96) | \$ | \$ 10,051.62 |
| 6,437.27 | | (5,931.26) | | 9,068.74 |
| 11,737.70 | | (11,125.67) | | 5,819.96 |
| 9,950.23 | | (11,522.92) | | 4,623.98 |
| 447,834.59 | 20.55 | (110,802.62) | (20.55) | 387,697.13 |
| 771,159.81 | 5,898.17 | (1,039,052.91) | (109.70) | 39,831.46 |
| 765,336.74 | 1,257,267.26 | (1,177,419.39) | (951,738.30) | 39,557.57 |
| 704,419.30 | | (408,121.91) | | 756,507.06 |
| 613,529.55 | | (613,529.55) | | |
| 289,134.32 | | (289,134.32) | | 1.00 |
| 2,729,933.01 | 2,640,713.03 | (3,272,239.15) | (2,161,000.00) | 39,250.93 |
| 1,931,673.34 | 791,000.00 | (1,990,209.78) | (693,009.60) | 98,465.27 |
| 29,783.50 | | (33,645.86) | | 3,499.90 |
| 19,998,021.31 | 816.88 | (3,752,315.13) | (19,458,327.21) | 126,048.23 |
| 2,846.02 | | | (31,056.39) | 100,374.17 |
| 59,181.58 | 317.98 | (39,086.14) | | 48,529.58 |
| 437,611.45 | | (445,014.73) | | 71,617.76 |
| 264.48 | | | | 2,969.08 |
| 109,896.00 | | (78,251.51) | (180,000.00) | 22,794.82 |
| 26,944.00 | | | (29,100.00) | 36.42 |
| 25,500.00 | | (14,500.00) | | 31,583.52 |
| 203,338.75 | | (947.50) | (203,250.00) | 7,730.22 |
| 850,922.33 | 4,944,701,612.08 | (4,887,448,000.00) | (58,104,277.22) | 654.15 |
| \$ 30,035,206.97 | \$ 4,949,397,645.95 | \$ (4,900,745,855.31) | \$ (81,811,888.97) | \$ 1,806,712.57 |

Investments
September 30, 2008

| Purchase Date | Description | Maturity Date |
|-------------------------------------|-------------------------|----------------------|
| <u>Operating Account</u> | | |
| September 30, 2008 | Repurchasing Agreements | 10/01/2008 |
| <u>Investment Fund</u> | | |
| September 30, 2008 | Repurchasing Agreements | 10/01/2008 |
| <u>Redemption Investment</u> | | |
| September 30, 2008 | Repurchasing Agreements | 10/01/2008 |
| <u>Cooper Green Hospital</u> | | |
| September 30, 2008 | Repurchasing Agreements | 10/01/2008 |
| Total Investments | | |



| Interest Rate | Market Value | Investments At Cost | Totals |
|----------------------|-------------------------|----------------------------|-------------------------|
| 1.80% | \$ 7,410,000.00 | \$ 7,410,000.00 | \$ 7,410,000.00 |
| 1.80% | 11,944,000.00 | 11,944,000.00 | 11,944,000.00 |
| 1.80% | 41,033,000.00 | 41,033,000.00 | 41,033,000.00 |
| 1.80% | 3,187,000.00 | 3,187,000.00 | 3,187,000.00 |
| | <u>\$ 63,574,000.00</u> | <u>\$ 63,574,000.00</u> | <u>\$ 63,574,000.00</u> |

Summary of Bank Reconcilements
September 30, 2008

| Account | Office | Balance Per Banks 09/30/2008 |
|--|---------------|---|
| Operating | Birmingham | \$ 176,561.53 |
| Accounts Payable | Birmingham | |
| Payroll | Birmingham | |
| Petty Cash | Birmingham | 3,137.12 |
| Transfer Fund, Bessemer Treasurer | Bessemer | 41,758.17 |
| Cooper Green Hospital: Operating | Birmingham | 97,373.32 |
| Redemption Fund | Birmingham | 859,832.63 |
| Redemption Fund | Bessemer | 399,834.28 |
| Redemption Investment Fund | Birmingham | 726.65 |
| Special Witness Fund | Birmingham | 45,183.56 |
| Tax Assessor's Special Fund | Birmingham | 10,051.62 |
| Assistant Tax Assessor's Special Fund | Bessemer | 9,068.74 |
| Tax Collector's Special Fund | Birmingham | 6,019.95 |
| Assistant Tax Collector's Special Fund | Bessemer | 4,623.98 |
| Barber Commission | Birmingham | 3,599.90 |
| District Attorney's Fund | Birmingham | 43,788.88 |
| District Attorney's Fund | Bessemer | 756,957.06 |
| General Retirement | Birmingham | 126,048.23 |
| Investment Account | Birmingham | 654.15 |
| Law Library | Birmingham | 91,906.05 |
| Law Library | Bessemer | 48,529.58 |
| Law Library - Money Market | Bessemer | 2,969.08 |
| Legislative Fund | Birmingham | 22,794.82 |
| Legislative Fund | Bessemer | 36.42 |
| License and Bond | Birmingham | 35,583.52 |
| Probate Court | Bessemer | 99,641.39 |
| Probate Trust Fund | Birmingham | 61,602.81 |
| Savings Bond | Birmingham | 7,730.22 |
| Sheriff's Special Fund | Birmingham | 387,697.13 |
| Sheriff's Service Fund | Birmingham | 231,411.02 |
| Worthless Checks | Bessemer | 1.00 |
| J C Section 415M Plan Account | Birmingham | 100,374.17 |
| Total | | <u>\$ 3,675,496.98</u> |

| Less: Outstanding Checks | Add: Deposits In Transit | Adjustments | Treasurer's Balance |
|--------------------------------|--------------------------------|--------------------|--------------------------|
| \$ | \$ | \$ | \$ |
| | | | 176,561.53 |
| (6,591,071.46) | | | (6,591,071.46) |
| (59,482.19) | | 1,828.24 | (57,653.95) |
| | | | 3,137.12 |
| (996.00) | 225.00 | | 40,987.17 |
| | 194.22 | | 97,567.54 |
| (815,648.47) | | | 44,184.16 |
| (346,449.03) | | | 53,385.25 |
| | | | 726.65 |
| (37,933.90) | | | 7,249.66 |
| | | | 10,051.62 |
| | | | 9,068.74 |
| (199.99) | | | 5,819.96 |
| | | | 4,623.98 |
| (100.00) | | | 3,499.90 |
| (4,231.31) | | | 39,557.57 |
| (450.00) | | | 756,507.06 |
| | | | 126,048.23 |
| | | | 654.15 |
| (20,288.29) | | | 71,617.76 |
| | | | 48,529.58 |
| | | | 2,969.08 |
| | | | 22,794.82 |
| | | | 36.42 |
| (4,000.00) | | | 31,583.52 |
| (1,176.12) | | | 98,465.27 |
| (22,351.88) | | | 39,250.93 |
| | | | 7,730.22 |
| | | | 387,697.13 |
| (191,579.56) | | | 39,831.46 |
| | | | 1.00 |
| | | | 100,374.17 |
| <u>\$ (8,095,958.20)</u> | <u>\$ 419.22</u> | <u>\$ 1,828.24</u> | <u>\$ (4,418,213.76)</u> |

Other Information
For the Year Ended September 30, 2008

A. Legal Authority

The Treasurer, Jefferson County, Alabama, operates under the authority of the *Code of Alabama 1975*, Section 11-4-23. The Treasurer is the custodian of funds for the Jefferson County Commission and acts in a trust or fiduciary capacity for the Probate Courts, Sheriff's Fund, Law Libraries, District Attorney's Funds and others, as shown on the Statements of Receipts, Disbursements and Balances.

B. Deposits and Investments

Deposits

The Treasurer's deposits at year-end were entirely deposited in Qualified Public Depositories under the Security for Alabama Funds Enhancement Act.

Investments

The Treasurer is legally authorized to invest in obligations of the U. S. Treasury and securities of federal agencies. The Treasurer's investments at year-end are shown below. All of the repurchase agreements were held by the Treasurer's agent in the Treasurer's name.

| | Market Value | Cost |
|-----------------------|-----------------|-----------------|
| Repurchase Agreements | \$63,574,000.00 | \$63,574,000.00 |

C. Individual Fund or Account Disclosures

At September 30, 2008, the funds or accounts which had deficit cash balances are listed below along with the offsetting investments. In addition, the bank makes transfers daily from the Operating Account to the Accounts Payable Account to cover checks that are cleared that day.

| | Cash Deficits | Investments |
|------------------------|----------------|----------------|
| <u>Operating Funds</u> | | |
| Accounts Payable Fund | \$6,591,071.46 | |
| Payroll Fund | 57,653.95 | |
| Total Operating Funds | \$6,648,725.41 | \$7,410,000.00 |