

Report on the

# Office of Treasurer

Jefferson County, Alabama

October 1, 2003 through September 30, 2004

Filed: April 1, 2005



## Department of Examiners of Public Accounts

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*Ronald L. Jones, Chief Examiner*

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Department of  
**Examiners of Public Accounts**

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Ronald L. Jones  
*Chief Examiner*

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

Dear Sir:

Under the authority of the *Code of Alabama 1975*, Section 41-5-14, I submit this report on the Office of Treasurer, Jefferson County, Alabama, for the period October 1, 2003 through September 30, 2004.

Honorable Barry Kenneth Stephenson, Treasurer  
Honorable Doris H. Britton, Deputy Treasurer

**SCOPE AND OBJECTIVES**

This report encompasses an examination of financial information of the Office of Treasurer, Jefferson County, Alabama, and a review of compliance by the Treasurer with applicable laws and regulations of the State of Alabama. The objective of this examination was to determine whether the Treasurer has complied with applicable laws and regulations.

**CONTENTS OF THE REPORT**

This report includes the following components:

1. **Report to the Chief Examiner** – contains information pertaining to: the function or purpose of the office, state and local legal compliance, office operations and other matters.
2. **Financial Information** – includes financial information (Exhibits 1 through 8) on the Office of Treasurer, Jefferson County, Alabama.

**COMMENTS**

The Office of Treasurer, Jefferson County, Alabama, acts as custodian of county funds. The Treasurer is responsible for the investing and the disbursing of funds at the discretion of the Jefferson County Commission or by an authorized agent for fiduciary and trust funds.

The Office of Treasurer, Jefferson County, Alabama, appears to have complied, in all material respects, with all applicable laws and regulations.

Sworn to and subscribed before me this  
the 21<sup>st</sup> day of March, 2005.

Cheryl S McAlister  
Notary Public

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Respectfully submitted,

Cathy M. Cook

Cathy M. Cook  
Examiner of Public Accounts

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*Summary of Cash and Investments*  
*September 30, 2004*

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	<b>Total</b>
<b><u>Cash in Banks</u></b>	
Operating Funds	\$ 11,104,403.92
Enterprise Funds	104,058.54
Fiduciary Funds	67,542.67
Trust Funds	1,168,237.60
Sub-Total	<u>12,444,242.73</u>
Investments	43,821,000.00
Total	<u><u>\$ 56,265,242.73</u></u>

***Statement of Receipts, Disbursements and Balances***  
***Operating Funds***  
***October 1, 2003 through September 30, 2004***

<b>Fund/Account</b>	<b>Office</b>	<b>Treasurer's Balance 10/01/2003</b>	<b>Receipts</b>
Operating	Birmingham	\$ 878,756.31	\$ 306,571,295.18
Accounts Payable	Birmingham	(4,286,741.85)	
Payroll	Birmingham	(168,739.97)	
Petty Cash	Birmingham	2,455.96	401,581.37
Transfer Fund, Bessemer Treasurer	Bessemer	43,520.39	929,828.03
<b>Total Operating Funds</b>		<b>\$ (3,530,749.16)</b>	<b>\$ 307,902,704.58</b>

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Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2004
\$ 4,747,013,069.53	\$ (4,518,019,513.52)	\$ (523,138,375.16)	\$ 13,305,232.34
435,748,388.15	(433,624,602.47)		(2,162,956.17)
48,742,276.01	(48,663,533.27)		(89,997.23)
333.00	(400,821.33)		3,549.00
	(924,772.44)		48,575.98
<u>\$ 5,231,504,066.69</u>	<u>\$ (5,001,633,243.03)</u>	<u>\$ (523,138,375.16)</u>	<u>\$ 11,104,403.92</u>

***Statement of Receipts, Disbursements and Balances***  
***Enterprise Funds***  
***October 1, 2003 through September 30, 2004***

<b>Cooper Green Hospital</b>	<b>Office</b>	<b>Treasurer's Balance 10/01/2003</b>	<b>Receipts</b>
Operating	Birmingham	\$ 87,603.84	\$ 14,987,966.26
Total Enterprise Funds		\$ 87,603.84	\$ 14,987,966.26



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Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2004
\$ 300,773,847.38	\$ (291,707,000.00)	\$ (24,038,358.94)	\$ 104,058.54
\$ 300,773,847.38	\$ (291,707,000.00)	\$ (24,038,358.94)	\$ 104,058.54

***Statement of Receipts, Disbursements and Balances***  
***Fiduciary Funds***  
***October 1, 2003 through September 30, 2004***

<b>Fund/Account</b>	<b>Office</b>	<b>Treasurer's Balance 10/01/2003</b>	<b>Receipts</b>
Redemption Fund	Birmingham	\$ 10,395.57	\$ 29,235,445.90
Redemption Fund	Bessemer	39,494.51	4,589,356.12
Special Witness Fund	Birmingham	1,188.59	200,482.51
Total Fiduciary Funds		<u>\$ 51,078.67</u>	<u>\$ 34,025,284.53</u>

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Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2004
\$ 16,944,659.02	\$ (19,744,651.85)	\$ (26,442,000.00)	\$ 3,848.64
3,705,000.00	(8,271,125.55)		62,725.08
198,605.99	(202,308.14)	(197,000.00)	968.95
<u>\$ 20,848,265.01</u>	<u>\$ (28,218,085.54)</u>	<u>\$ (26,639,000.00)</u>	<u>\$ 67,542.67</u>

***Statement of Receipts, Disbursements and Balances***  
***Trust Funds***  
***October 1, 2003 through September 30, 2004***

<b>Fund/Account</b>	<b>Office</b>	<b>Treasurer's Balance 10/01/2003</b>	<b>Receipts</b>
Barber Commission	Birmingham	\$ 2,856.45	\$ 37,663.00
District Attorney's Fund	Birmingham	253,598.25	433,085.34
General Retirement	Birmingham	(129,281.06)	18,244,227.90
Investment Account	Birmingham	700.99	343,390.58
Law Library	Birmingham	84,212.38	388,076.80
Legislative Fund	Birmingham	113,861.14	104,554.00
Legislative Education	Birmingham	20.84	
Legislative Delegation Fund	Bessemer	2,133.92	25,580.00
License and Bond	Birmingham	25,354.50	63,500.00
Probate Court	Birmingham	34,862.92	3,714,921.87
Probate Court	Bessemer	42,339.11	360,739.75
Savings Bond	Birmingham	23,404.97	294,936.58
Sheriff's Special Fund	Birmingham	30,217.14	45,668.85
Sheriff's Service Fund	Birmingham		231,293.84
Worthless Checks	Birmingham		733,781.45
Tax Assessor Special - New	Birmingham	8,942.39	9,888.11
Legislative Projects	Birmingham	124.16	
Tax Collector Special - New	Birmingham	11,234.24	12,024.98
District Attorney	Bessemer	92,995.85	573,874.40
Worthless Check	Bessemer	1.00	279,445.04
Law Library (Checking)	Bessemer	1,984.55	23,446.29
Law Library (Money Market)	Bessemer	22,601.36	64.88
Assistant Tax Assessor Special	Bessemer	8,948.02	8,788.16
Assistant Tax Collector Special	Bessemer	4,788.35	9,508.04
<b>Total Trust Funds</b>		<b>\$ 635,901.47</b>	<b>\$ 25,938,459.86</b>

Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2004
\$	\$	\$	\$
	(39,010.55)	(396.00)	1,112.90
707.18	(249,648.80)		437,741.97
13,595,168.85	(8,990,158.06)	(22,718,342.44)	1,615.19
7,525,417,736.00	(7,500,971,000.00)	(24,790,605.99)	221.58
5,132.00	(329,467.20)		147,953.98
	(46,243.61)	(110,000.00)	62,171.53
			20.84
	(4,946.00)	(22,736.00)	31.92
	(14,200.00)	(25,000.00)	49,654.50
3,866,145.40	(3,999,897.92)	(3,592,000.00)	24,032.27
150,000.00	(297,665.00)	(200,000.00)	55,413.86
1,150.00	(298,315.23)		21,176.32
	(40,610.00)		35,275.99
			231,293.84
	(733,781.45)		
	(11,978.01)		6,852.49
1,420.14	(1,420.14)		124.16
	(16,419.66)		6,839.56
	(604,435.04)		62,435.21
	(279,445.04)		1.00
15,003.60	(36,409.39)		4,025.05
	(15,000.00)		7,666.24
	(11,295.06)		6,441.12
116.87	(8,277.18)		6,136.08
<u>\$ 7,543,052,580.04</u>	<u>\$(7,516,999,623.34)</u>	<u>\$ (51,459,080.43)</u>	<u>\$ 1,168,237.60</u>

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***Investments***  
***September 30, 2004***

<b>Fund/Purchase Date</b>	<b>Description</b>	<b>Maturity Date</b>	<b>Interest Rate</b>
<b><u>Investment Fund</u></b> September 30, 2004	Repurchase Agreement	10/01/2004	1.60%
<b><u>Operating Account</u></b> September 30, 2004	Repurchase Agreement	10/01/2004	1.60%
<b><u>Cooper Green Hospital</u></b> September 30, 2004	Repurchase Agreement	10/01/2004	1.60%
Total Investments			

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Market Value	Investments at Cost	Totals
\$ 40,906,000.00	\$ 40,906,000.00	\$ 40,906,000.00
1,069,000.00	1,069,000.00	1,069,000.00
1,846,000.00	1,846,000.00	1,846,000.00
<u>\$ 43,821,000.00</u>	<u>\$ 43,821,000.00</u>	<u>\$ 43,821,000.00</u>

**Summary of Bank Reconcilements**  
**September 30, 2004**

<b>Account</b>	<b>Office</b>	<b>Balance Per Banks 09/30/2004</b>	<b>Less: Outstanding Checks</b>
Operating	Birmingham	\$ (394,767.66)	\$
Accounts Payable	Birmingham		(2,162,955.47)
Payroll	Birmingham		(89,997.29)
Petty Cash	Birmingham	3,549.00	
Transfer Fund, Bessemer Treasurer	Bessemer	51,493.25	(2,917.27)
Cooper Green Hospital: Operating	Birmingham	104,058.54	
Redemption Fund	Birmingham	1,398,256.98	(1,394,408.34)
Redemption Fund	Bessemer	123,092.14	(60,367.06)
Special Witness Fund	Birmingham	968.95	
Tax Assessor Special Fund	Birmingham	6,853.25	
Assistant Tax Assessor Special Fund	Bessemer	6,441.12	
Tax Collector Special Fund	Birmingham	6,840.31	
Assistant Tax Collector Special Fund	Bessemer	6,136.08	
Sheriff's Special Fund	Birmingham	35,284.27	
Sheriff's Service Fund	Birmingham	231,318.42	
District Attorney Fund	Birmingham	448,295.54	(10,517.77)
District Attorney Fund-Bessemer	Bessemer	63,925.53	(1,490.32)
Worthless Check Fund-Bessemer	Bessemer	1.00	
Probate Court Fund-Birmingham	Birmingham	24,605.32	(573.05)
Probate Court Fund-Bessemer	Bessemer	55,413.86	
Barber Commission Fund	Birmingham	1,412.91	(300.01)
General Retirement Account	Birmingham	131,953.47	(130,337.78)
Law Library New-Birmingham	Birmingham	155,168.67	(7,214.69)
Law Library-Bessemer	Bessemer	14,086.42	(10,061.37)
Law Library-Bessemer (Money Market)	Bessemer	7,666.24	
Legislative Fund	Birmingham	62,171.53	
Legislative Education Fund	Birmingham	20.84	
Legislative Projects Fund	Birmingham	124.16	
Legislative Delegation Fund	Bessemer	31.92	
License and Bond Fund	Birmingham	49,654.50	
Savings Bond Fund	Birmingham	21,260.07	(83.75)
Investment Account	Birmingham	221.58	
Totals		<u>\$ 2,615,538.21</u>	<u>\$ (3,871,224.17)</u>



Add: Deposits In Transit	Adjustments	Treasurer's Balance
\$ 13,700,000.00	\$	\$ 13,305,232.34
	(0.70)	(2,162,956.17)
	0.06	(89,997.23)
		3,549.00
		48,575.98
		104,058.54
		3,848.64
		62,725.08
		968.95
	(0.76)	6,852.49
		6,441.12
	(0.75)	6,839.56
		6,136.08
	(8.28)	35,275.99
	(24.58)	231,293.84
	(35.80)	437,741.97
		62,435.21
		1.00
		24,032.27
		55,413.86
		1,112.90
	(0.50)	1,615.19
		147,953.98
		4,025.05
		7,666.24
		62,171.53
		20.84
		124.16
		31.92
		49,654.50
		21,176.32
		221.58
<u>\$ 13,700,000.00</u>	<u>\$ (71.31)</u>	<u>\$ 12,444,242.73</u>

**Other Information**  
**For the Year Ended September 30, 2004**

**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	\$43,821,000.00	\$43,821,000.00

**C. Individual Fund or Account Disclosures**

At September 30, 2004, 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 Account	\$2,162,956.17	\$
Payroll Account	89,997.23	
Total Operating Funds	\$2,252,953.40	\$1,069,000.00

