

Report on the

# Office of Treasurer

Jefferson County, Alabama

October 1, 2001 Through September 30, 2002

Filed: June 20, 2003



## 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, 2001 through September 30, 2002.

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 materially complied with all applicable laws and regulations.

Sworn to and subscribed before me this  
the 5<sup>th</sup> day of June, 2003.

Martine Subles  
Notary Public

Respectfully submitted,

Roderick Edwards

Roderick Edwards  
Examiner of Public Accounts

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**Summary of Cash and Investments**  
**September 30, 2002**

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	<b>Total</b>
<b><u>Cash in Banks</u></b>	
Operating Funds	\$ (7,172,711.92)
Enterprise Funds	85,236.46
Fiduciary Funds	113,619.88
Trust Funds	276,519.77
Sub-Total	<u>(6,697,335.81)</u>
Investments	39,675,000.00
Total	<u><u>\$ 32,977,664.19</u></u>

***Statement of Receipts, Disbursements and Balances***  
***Operating Funds***  
***September 30, 2002***

<b>Fund/Account</b>	<b>Office</b>	<b>Treasurer's Balance 10/01/2001</b>	<b>Receipts</b>
Operating	Birmingham	\$ (9,353,094.47)	\$ 4,253,400,399.29
Payroll	Birmingham	(1,709,549.96)	
Petty Cash	Birmingham	5,734.00	674,433.92
Transfer Fund, Bessemer Treasurer	Bessemer	29,375.84	475,183.11
Total Operating Funds		<u>\$ (11,027,534.59)</u>	<u>\$ 4,254,550,016.32</u>

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Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2002
\$ 899,065,781.20	\$(4,558,259,074.04)	\$ (591,601,365.50)	\$ (6,747,353.52)
50,836,199.30	(49,581,222.91)		(454,573.57)
	(675,044.30)	(40.00)	5,083.62
	(480,427.40)		24,131.55
<u>\$ 949,901,980.50</u>	<u>\$(4,608,995,768.65)</u>	<u>\$ (591,601,405.50)</u>	<u>\$ (7,172,711.92)</u>

***Statement of Receipts, Disbursements and Balances***  
***Enterprise Funds***  
***September 30, 2002***

<b>Cooper Green Hospital</b>	<b>Office</b>	<b>Treasurer's Balance 10/01/2001</b>	<b>Receipts</b>
Operating	Birmingham	\$ 62,127.41	\$ 16,640,465.32
Total Enterprise Funds		<u>\$ 62,127.41</u>	<u>\$ 16,640,465.32</u>



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Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2002
\$ 196,574,923.81	\$ (185,610,771.84)	\$ (27,581,508.24)	\$ 85,236.46
\$ 196,574,923.81	\$ (185,610,771.84)	\$ (27,581,508.24)	\$ 85,236.46

***Statement of Receipts, Disbursements and Balances***  
***Fiduciary Funds***  
***September 30, 2002***

<b>Fund/Account</b>	<b>Office</b>	<b>Treasurer's Balance 10/01/2001</b>	<b>Receipts</b>
Redemption Fund	Birmingham	\$ 1,283.94	\$ 97,236.70
New Redemption Fund	Birmingham	(206,291.46)	16,083,274.27
Redemption Fund	Bessemer	23,172.13	2,007,910.43
Special Witness Fund	Birmingham	864.67	303,221.85
<b>Total Fiduciary Funds</b>		<b>\$ (180,970.72)</b>	<b>\$ 18,491,643.25</b>

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Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2002
\$ 14,536,325.62	\$ (18,254,364.16)	\$ (98,520.64) \$ (12,106,000.00)	52,944.27
1,540,000.00	(1,912,140.18)	(1,600,000.00)	58,942.38
105,000.00	(96,347.26)	(311,006.03)	1,733.23
<u>\$ 16,181,325.62</u>	<u>\$ (20,262,851.60)</u>	<u>\$ (14,115,526.67) \$</u>	<u>113,619.88</u>

**Statement of Receipts, Disbursements and Balances**  
**Trust Funds**  
**September 30, 2002**

<b>Fund/Account</b>	<b>Office</b>	<b>Treasurer's Balance 10/01/2001</b>	<b>Receipts</b>
Barber Commission	Birmingham	\$ 1,445.74	\$ 25,036.61
District Attorney's Fund	Birmingham	29,147.04	188,176.70
General Retirement	Birmingham	(169,725.32)	16,738,241.94
Investment Account	Birmingham	802.57	438,755.90
Law Library-Birmingham	Birmingham	35,865.35	
Law Library New-Birmingham	Birmingham	13,045.98	383,240.05
Legislative Fund	Birmingham	59,913.12	118,278.50
Legislative Education	Birmingham	20.84	
Legislative Delegation Fund	Bessemer	70,915.84	27,536.50
License and Bond	Birmingham	12,154.50	7,000.00
License and Bond	Birmingham		7,200.00
Probate Court-Birmingham	Birmingham	(33,856.15)	1,774,343.61
Probate Court-Bessemer	Bessemer	8,529.48	477,237.74
Savings Bond	Birmingham	27,981.88	341,952.99
Sheriff's Special Fund	Birmingham	29,972.19	27,968.93
Worthless Check-Birmingham	Birmingham		894,042.27
Tax Assessor Special	Birmingham	10,110.79	8,042.69
Legislative Projects	Birmingham		
Tax Collector Special	Birmingham	6,117.69	17,362.55
District Attorney	Bessemer	20,270.66	728,172.20
Worthless Check-Bessemer	Bessemer	1.00	281,352.54
Law Library (Checking)	Bessemer	9,514.02	30,292.05
Law Library (Money Market)	Bessemer	27,095.94	336.76
Assistant Tax Assessor Special	Bessemer	7,622.27	8,264.49
Assistant Tax Collector Special	Bessemer	9,258.53	9,738.05
<b>Total Trust Funds</b>		<b>\$ 176,203.96</b>	<b>\$ 22,532,573.07</b>

Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2002
\$	\$	\$	\$
	(25,896.76)		585.59
1,279.50	(193,822.13)		24,781.11
11,309,746.50	(20,926,582.17)	(7,112,000.00)	(160,319.05)
5,981,514,520.64	(5,964,396,000.00)	(17,558,000.00)	79.11
		(35,865.35)	
35,865.36	(332,932.84)		99,218.55
		(119,372.97)	58,818.65
	(263.96)	(98,000.00)	20.84
8,000.00	(12,154.50)	(15,000.00)	188.38
5,154.50		(2,500.00)	9,854.50
1,263,772.51	(1,344,397.41)	(1,671,000.00)	(11,137.44)
185,000.00	(424,066.02)	(195,000.00)	51,701.20
	(342,580.70)		27,354.17
	(10,000.00)		47,941.12
	(894,042.27)		
	(9,282.08)		8,871.40
8,645.00		(8,520.84)	124.16
	(17,208.14)		6,272.10
188.39	(686,756.15)		61,875.10
	(281,352.54)		1.00
	(32,782.85)		7,023.22
			27,432.70
	(6,462.25)		9,424.51
	(12,587.73)		6,408.85
<u>\$ 5,994,332,172.40</u>	<u>\$(5,989,949,170.50)</u>	<u>\$ (26,815,259.16)</u>	<u>\$ 276,519.77</u>

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***Investments***  
***September 30, 2002***

<b>Fund/Purchase Date</b>	<b>Description</b>	<b>Maturity Date</b>	<b>Interest Rate</b>
<b><u>Investment Fund</u></b> September 30, 2002	Repurchase Agreement	10/1/2002	1.83%
<b><u>Operating Account</u></b> September 30, 2002	Repurchase Agreement	10/1/2002	1.83%
<b><u>Cooper Green Hospital</u></b> September 30, 2002 Total Investments	Repurchase Agreement	10/1/2002	1.83%

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Market Value	Investments At Cost	Totals
\$ 26,125,000.00	\$ 26,125,000.00	\$ 26,125,000.00
13,110,000.00	13,110,000.00	13,110,000.00
440,000.00	440,000.00	440,000.00
<u>\$ 39,675,000.00</u>	<u>\$ 39,675,000.00</u>	<u>\$ 39,675,000.00</u>

**Summary of Bank Reconcilements**  
**September 30, 2002**

<b>Account</b>	<b>Office</b>	<b>Balance Per Banks 09/30/2002</b>	<b>Less: Outstanding Checks</b>
Operating	Birmingham	\$ 338,936.89	\$
Accounts Payable	Birmingham		(7,091,205.56)
Payroll	Birmingham	30.00	(454,764.46)
Petty Cash	Birmingham	5,083.62	
Transfer Fund, Bessemer Treasurer	Bessemer	24,131.55	
Cooper Green Hospital:			
Operating	Birmingham	85,236.46	
New Redemption Fund	Birmingham	283,010.36	(230,066.09)
Redemption Fund	Bessemer	69,324.30	(10,381.92)
Special Witness Fund	Birmingham	1,733.23	
Tax Assessor Special Fund	Birmingham	8,871.06	
Assistant Tax Assessor			
Special Fund	Bessemer	9,424.51	
Tax Collector Special Fund	Birmingham	6,271.84	
Assistant Tax Collector			
Special Fund	Bessemer	6,596.85	(188.00)
Sheriff's Special Fund	Birmingham	47,983.09	
District Attorney Fund	Birmingham	32,198.93	(7,417.82)
District Attorney Fund-Bessemer	Bessemer	61,891.79	(16.69)
Worthless Check Fund-Bessemer	Bessemer	1.00	
Probate Court Fund-Birmingham	Birmingham	101,479.97	(112,617.41)
Probate Court Fund-Bessemer	Bessemer	51,701.20	
Barber Commission Fund	Birmingham	585.59	
General Retirement Account	Birmingham	657.09	(160,976.14)
Law Library New-Birmingham	Birmingham	131,729.96	(32,511.41)
Law Library-Bessemer	Bessemer	7,023.22	
Law Library-Bessemer (Money Market)	Bessemer	27,432.70	
Legislative Fund	Birmingham	59,017.65	(199.00)
Legislative Education Fund	Birmingham	20.84	
Legislative Projects Fund	Birmingham	4,384.58	(4,260.42)
Legislative Delegation Fund	Bessemer	176.33	
License and Bond Fund	Birmingham	9,853.25	
Savings Bond Fund	Birmingham	27,507.62	(153.45)
Investment Account	Birmingham	79.11	
Totals		<u>\$ 1,402,374.59</u>	<u>\$ (8,104,758.37)</u>



Add: Deposits In Transit	Adjustments	Treasurer's Balance
\$	\$	\$ 338,936.89
	4,915.15	(7,086,290.41)
	160.89	(454,573.57)
		5,083.62
		24,131.55
		85,236.46
		52,944.27
		58,942.38
		1,733.23
	0.34	8,871.40
		9,424.51
	0.26	6,272.10
		6,408.85
	(41.97)	47,941.12
		24,781.11
		61,875.10
		1.00
		(11,137.44)
		51,701.20
		585.59
		(160,319.05)
		99,218.55
		7,023.22
		27,432.70
		58,818.65
		20.84
		124.16
	12.05	188.38
	1.25	9,854.50
		27,354.17
		79.11
\$	\$ 5,047.97	\$ (6,697,335.81)

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***Other Information***  
***For the Year Ended September 30, 2002***

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**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	\$39,675,000.00	\$39,675,000.00

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***Other Information***  
***For the Year Ended September 30, 2002***

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**C. Individual Fund or Account Disclosures**

At September 30, 2002, the funds or accounts which had deficit cash balances are listed below along with the offsetting investments.

	Cash Deficits	Investments
<b><u>Operating Funds</u></b>		
Accounts Payable Account	\$7,086,290.41	\$
Payroll Account	454,573.57	
Total Operating Funds	<u>7,540,863.98</u>	<u>13,110,000.00</u>
<b><u>Trust Funds</u></b>		
General Retirement Fund	160,319.05	(1)
Probate Court Fund - Birmingham	11,137.44	3,961,059.39 (2)
Total Trust Funds	<u>\$ 171,456.49</u>	<u>\$ 3,961,059.39</u>
(1) Investments for the General Retirement Fund are not maintained by the Treasurer's Office. (2) This represents the fund's participation in the Investment Fund.		

