

Report on the

Office of Treasurer

Jefferson County, Alabama

October 1, 2008 through September 30, 2009

Filed: April 16, 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, 2008 through September 30, 2009.

Sworn to and subscribed before me this
the 5th day of April, 2010.

Sandra E Shirley
Notary Public

Respectfully submitted,

Kim Huynh
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**Office of Treasurer
Jefferson County, Alabama
October 1, 2008 through September 30, 2009**

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 the *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 Kenneth Gomany served as Treasurer from October 1, 2008 through January 18, 2009. Honorable Jennifer P. Champion began her term as Treasurer on January 19, 2009.

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: Kenneth Gomany and Jennifer P. Champion and Doris Britton, Deputy Treasurer. Those who attended the exit conference were: Jennifer P. Champion, Treasurer; Doris Britton, Deputy Treasurer; Karen Lemley, Chief Accountant; and representatives of the Department of Examiners of Public Accounts: James Hall, Audit Manager and Kim Huynh, Examiner of Public Accounts.

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Financial Information

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Summary of Cash and Investments
September 30, 2009

	Total
<u>Cash in Banks</u>	
Operating Funds	\$ (4,334,267.99)
Enterprise Funds	60,453.02
Fiduciary Funds	2,967,021.94
Trust Funds	3,208,901.58
Sub-Total	<u>1,902,108.55</u>
Investments	35,732,000.00
Total	<u><u>\$ 37,634,108.55</u></u>

Statement of Receipts, Disbursements and Balances
Operating Funds
October 1, 2008 through September 30, 2009

Fund/Account	Office	Treasurer's Balance 10/01/2008	Receipts
Operating	Birmingham	\$ 176,561.53	\$ 318,304,351.16
Accounts Payable	Birmingham	(6,591,071.46)	
Payroll	Birmingham	(57,653.95)	
Petty Cash	Birmingham	3,137.12	246,197.60
Transfer Fund, Bessemer Treasurer	Bessemer	40,987.17	3,240,871.20
Total Operating Funds		<u>\$ (6,428,039.59)</u>	<u>\$ 321,791,419.96</u>

Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2009
\$ 361,496,528.28	\$	\$ (679,805,433.09)	\$ 172,007.88
227,192,565.43	(225,090,177.95)		(4,488,683.98)
32,015,229.20	(32,019,186.10)		(61,610.85)
	(245,960.00)		3,374.72
	(3,241,214.13)		40,644.24
<u>\$ 620,704,322.91</u>	<u>\$ (260,596,538.18)</u>	<u>\$ (679,805,433.09)</u>	<u>\$ (4,334,267.99)</u>

Statement of Receipts, Disbursements and Balances
Enterprise Funds
October 1, 2008 through September 30, 2009

Cooper Green Hospital	Office	Treasurer's Balance 10/01/2008	Receipts
Operating	Birmingham	\$ 97,567.54	\$ 14,028,333.04
Total Enterprise Funds		<u>\$ 97,567.54</u>	<u>\$ 14,028,333.04</u>

Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2009
\$ 58,021,182.58	\$	\$ (72,086,630.14)	\$ 60,453.02
\$ 58,021,182.58	\$	\$ (72,086,630.14)	\$ 60,453.02

Statement of Receipts, Disbursements and Balances
Fiduciary Funds
October 1, 2008 through September 30, 2009

Fund/Account	Office	Treasurer's Balance 10/01/2008	Receipts
Redemption Fund	Birmingham	\$ 44,184.16	\$ 14,468,125.57
Redemption Investment Fund	Birmingham	726.65	
Redemption Fund	Bessemer	53,385.25	2,334,110.93
Special Witness Fund	Birmingham	7,249.66	582,970.89
Total Fiduciary Funds		<u>\$ 105,545.72</u>	<u>\$ 17,385,207.39</u>

Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2009
\$ 22,425,762.04	\$ (32,372,778.08)	\$ (2,322,256.71)	\$ 2,243,036.98
26,206,451.40		(26,206,712.27)	465.78
1,375,273.81	(3,042,385.62)		720,384.37
479,000.00	(481,085.74)	(585,000.00)	3,134.81
\$ 50,486,487.25	\$ (35,896,249.44)	\$ (29,113,968.98)	\$ 2,967,021.94

Statement of Receipts, Disbursements and Balances
Trust Funds
October 1, 2008 through September 30, 2009

Fund/Account	Office	Treasurer's Balance 10/01/2008	Receipts
Tax Assessor Special - New	Birmingham	\$ 10,051.62	\$ 11,359.59
Assistant Tax Assessor Special	Bessemer	9,068.74	5,999.15
Tax Collector Special - New	Birmingham	5,819.96	9,800.54
Assistant Tax Collector Special	Bessemer	4,623.98	10,014.38
Sheriff's Special	Birmingham	387,697.13	254,634.98
Sheriff's Service	Birmingham	39,831.46	388,460.73
District Attorney	Birmingham	39,557.57	858,391.83
District Attorney	Bessemer	756,507.06	638,666.92
Worthless Checks	Birmingham		488,341.27
Worthless Checks	Bessemer	1.00	259,503.39
Probate Court	Birmingham	39,250.93	4,819,632.80
Probate Court	Bessemer	98,465.27	2,598,538.07
Barber Commission	Birmingham	3,499.90	30,673.83
General Retirement	Birmingham	126,048.23	19,709,883.49
Section 415M Plan	Birmingham	100,374.17	164.33
Law Library	Bessemer	48,529.58	58,869.19
Law Library	Birmingham	71,617.76	398,095.03
Law Library - Money Market	Bessemer	2,969.08	600.00
Legislative Fund	Birmingham	22,794.82	111,758.00
Legislative Delegation Fund	Bessemer	36.42	26,386.50
License and Bond Fund	Birmingham	31,583.52	28,000.00
Savings Bond Fund	Birmingham	7,730.22	182,750.00
Investment Account	Birmingham	654.15	
Totals		<u>\$ 1,806,712.57</u>	<u>\$ 30,890,524.02</u>

Transfers In	Disbursements	Transfers Out	Treasurer's Balance 09/30/2009
\$	\$	\$	\$
	(20,885.20)		526.01
	(5,174.16)		9,893.73
199.99	(5,913.98)		9,906.51
	(5,762.43)		8,875.93
	(131,512.51)	(300,000.00)	210,819.60
	(394,913.64)		33,378.55
581,436.73	(1,093,182.61)	(250,000.00)	136,203.52
175.00	(582,353.91)		812,995.07
	(488,341.27)		
	(259,482.16)		22.23
4,500,588.35	(5,131,415.58)	(4,195,000.00)	33,056.50
125,741.95	(2,485,661.75)	(265,777.04)	71,306.50
9,828.70	(23,387.70)	(9,828.70)	10,786.03
20.00	(3,528,412.05)	(14,798,000.00)	1,509,539.67
			100,538.50
	(31,404.41)		75,994.36
	(397,808.29)		71,904.50
5.01			3,574.09
	(74,148.77)		60,404.05
		(26,400.00)	22.92
	(18,500.00)		41,083.52
	(622.50)	(182,425.00)	7,432.72
11,046,836.65		(11,046,853.73)	637.07
\$ 16,264,832.38	\$ (14,678,882.92)	\$ (31,074,284.47)	\$ 3,208,901.58

Investments
September 30, 2009

Purchase Date	Description	Maturity Date
<u>Operating Account</u>		
September 30, 2009	Repurchasing Agreements	10/01/2009
<u>Cooper Green Hospital</u>		
September 30, 2009	Repurchasing Agreements	10/01/2009
<u>Investment Fund</u>		
September 30, 2009	Repurchasing Agreements	10/01/2009
<u>Redemption Investment</u>		
September 30, 2009	Repurchasing Agreements	10/01/2009
Total Investments		



Interest Rate	Market Value	Investments At Cost	Totals
0.009864%	\$ 3,040,000.00	\$ 3,040,000.00	\$ 3,040,000.00
0.009864%	2,490,000.00	2,490,000.00	2,490,000.00
0.009864%	11,550,000.00	11,550,000.00	11,550,000.00
0.009864%	<u>18,652,000.00</u>	<u>18,652,000.00</u>	<u>18,652,000.00</u>
	<u>\$ 35,732,000.00</u>	<u>\$ 35,732,000.00</u>	<u>\$ 35,732,000.00</u>

Summary of Bank Reconcilements
September 30, 2009

Account	Office	Balance Per Banks 09/30/2009	Less: Outstanding Checks
Operating	Birmingham	\$ 172,007.88	\$
Accounts Payable	Birmingham		(4,488,683.98)
Payroll	Birmingham		(61,655.03)
Petty Cash	Birmingham	2,169.13	(6,100.00)
Transfer Fund, Bessemer Treasurer	Bessemer	40,601.28	
Cooper Green Hospital: Operating	Birmingham	60,262.84	
Redemption Fund	Birmingham	4,101,705.22	(1,858,668.24)
Redemption Fund	Bessemer	1,075,712.23	(355,327.86)
Redemption Investment Fund	Birmingham	465.78	
Special Witness Fund	Birmingham	28,121.99	(24,987.18)
Tax Assessor's Special Fund	Birmingham	526.01	
Assistant Tax Assessor's Special Fund	Bessemer	9,893.73	
Tax Collector's Special Fund	Birmingham	10,006.51	(100.00)
Assistant Tax Collector's Special Fund	Bessemer	8,875.93	
Barber Commission	Birmingham	10,986.03	(200.00)
District Attorney's Fund	Birmingham	163,044.57	(26,841.05)
District Attorney's Fund	Bessemer	815,545.07	(2,550.00)
General Retirement	Birmingham	1,509,539.67	
Investment Account	Birmingham	637.07	
Law Library	Birmingham	102,589.05	(30,684.55)
Law Library	Bessemer	78,380.36	(2,386.00)
Law Library - Money Market	Bessemer	3,574.09	
Legislative Fund	Birmingham	60,404.05	
Legislative Fund	Bessemer	22.92	
License and Bond	Birmingham	42,083.52	(1,000.00)
Probate Court	Bessemer	76,762.15	(5,455.65)
Probate Trust Fund	Birmingham	37,270.12	(4,213.62)
Savings Bond	Birmingham	7,432.72	
Sheriff's Special Fund	Birmingham	210,819.60	
Sheriff's Service Fund	Birmingham	191,344.01	(157,965.46)
Worthless Checks	Bessemer	22.23	
J C Section 415M Plan Account	Birmingham	100,538.50	
Totals		<u>\$ 8,921,344.26</u>	<u>\$ (7,026,818.62)</u>

Add: Deposits In Transit	Adjustments	Treasurer's Balance
\$	\$	\$ 172,007.88
		(4,488,683.98)
	44.18	(61,610.85)
7,305.59		3,374.72
42.96		40,644.24
190.18		60,453.02
		2,243,036.98
		720,384.37
		465.78
		3,134.81
		526.01
		9,893.73
		9,906.51
		8,875.93
		10,786.03
		136,203.52
		812,995.07
		1,509,539.67
		637.07
		71,904.50
		75,994.36
		3,574.09
		60,404.05
		22.92
		41,083.52
		71,306.50
		33,056.50
		7,432.72
		210,819.60
		33,378.55
		22.23
		100,538.50
\$ 7,538.73	\$ 44.18	\$ 1,902,108.55

Other Information
For the Year Ended September 30, 2009

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	\$35,732,000.00	\$35,732,000.00

C. Individual Fund or Account Disclosures

At September 30, 2009, 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	\$4,488,683.98	
Payroll Fund	61,610.85	
Total Operating Funds	\$4,550,294.83	\$3,040,000.00