

Report on the

# Office of Treasurer

Mobile County, Alabama

October 1, 2018 through September 30, 2019

Filed: September 11, 2020



## Department of Examiners of Public Accounts

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*Rachel Laurie Riddle, Chief Examiner*





Rachel Laurie Riddle  
*Chief Examiner*

**State of Alabama**  
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**Examiners of Public Accounts**

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Honorable Rachel Laurie Riddle  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Madam:

An examination was conducted on the Office of Treasurer, Mobile County, Alabama, for the period October 1, 2018 through September 30, 2019. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

John Geary  
Examiner of Public Accounts

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## *Table of Contents*

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	<i>Page</i>
<b>Summary</b>	A
Contains items pertaining to state and local legal compliance, office operations and other matters.	
<b>Financial Information</b>	1
Exhibit #1     Analysis of Balances	2
Exhibit #2     Trust Funds on Hand	6
Exhibit #3     Authority for Investments	7

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Department of  
**Examiners of Public Accounts**

**SUMMARY**

**Office of Treasurer  
Mobile County, Alabama  
October 1, 2018 through September 30, 2019**

The Office of Treasurer, Mobile County, Alabama, operates under the authority of Act Number 336, Acts of Alabama 1880-81, and the *Code of Alabama 1975*, Sections 11-4-1 through 11-4-30. The Treasurer is custodian of funds for the Mobile County Commission, and acts in a fiduciary capacity for funds of the Probate Court, Sheriff, District Attorney, Law Libraries, Racing Commission, Revenue Commissioner, License Commissioner, and others.

According to an Attorney General's Opinion dated August 14, 2001, the Mobile County Commission is authorized to invest county funds pursuant to the *Code of Alabama 1975*, Sections 11-3-11(a), 11-8-11, 11-81-19 and 11-81-21. Amendment Number 500 to the *Constitution of Alabama 1901* provides for additional investment options for Mobile County funds but does not address by whom the funds may be invested. The Attorney General contends that the Treasurer, while serving as depository, is not vested with the authority to determine how to expend county funds and does not have the legal authority to enter into agreements for investment vehicles. The Mobile County Treasurer has been investing county funds with the knowledge of the County Commission. However, the Treasurer was not officially given the authority to invest on behalf of the County Commission. The County Commission adopted an Investment Policy on May 22, 2006, which gave the County Treasurer (or his/her designee) and the County Commission's Director of Finance, the authority to "establish and implement a management program and coordinate the purchase of investment vehicles".

Honorable Philip R. Benson served as Treasurer of Mobile County during the examination period.

Exhibits 1 through 3 include financial information for the Office of Treasurer, Mobile County.

This report presents the results of an examination of the Office of Treasurer and a review of compliance by the Office of 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*, 41-5A-12.

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

The Official was invited to and attended an exit conference held by teleconference to discuss the results of the examination. Representing the Department of Examiners of Public Accounts was John Geary, Examiner.



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# *Financial Information*

# ***Analysis of Balances***

## ***September 30, 2019***

<b>Account Name</b>	<b>Cash (*)</b>	<b>Certificates of Deposit</b>
<b><u>Mobile County Commission Funds</u></b>		
General Fund	\$ 8,513,733.10	\$ 4,249,493.62
Health Insurance Fund	264,561.11	
Mobile County Commission Petty Cash	6,014.00	
Cigarette Tax Fund	762,333.30	
Gasoline Tax Fund	2,776,811.77	
Public Building Road and Bridge	1,731,588.32	
Public Highway and Traffic Fund		
County Improvement Fund - ATF	2,179,879.77	
RRR Gasoline Tax	226,965.52	
Reappraisal Warrant	332,443.12	523,999.37
Indigent Care		
Senior Companion Program	18,406.41	
Retired/Senior Volunteer Program	4,546.06	
Foster Grandparent Program	10,108.02	
Animal Control Special Fund	21,414.59	
Neighborhood Stabilization Program	100,000.00	
Gulf of Mexico Energy Security Act	4,743,463.51	
Jeremiah Denton Dauphin Island Airport	32,181.64	
Hazard Mitigation Grant	614,346.88	
HUD Urban County Consortium 2002	10,000.00	
Home Program	15,000.00	
Home Program Income	425,080.21	
Emergency Shelter Grant	13,000.00	
2012 Capital Improvement Fund	26,758.99	
2015 Capital Improvement Fund	35,435.39	
2017 Capital Improvement Fund	304,856.74	
2019 Capital Improvement Fund	78,687.91	
2000 Pay As You Go	490,713.77	
2004 Pay As You Go	113,004.05	
2006 Pay As You Go	2,291,676.66	
2008 Pay As You Go	258,449.20	2,176,275.37
2010 Pay As You Go	240,437.66	
2012 Pay As You Go	483,941.09	
2014 Pay As You Go	391,525.54	5,163,089.97
2016 Pay As You Go	130,600.58	5,902,242.27
2018 Pay As You Go	82,099.90	490,442.67
	<hr/>	<hr/>
Sub-Total County Commission	27,730,064.81	18,505,543.27
	<hr/>	<hr/>
Sub-Total Forward	\$ 27,730,064.81	\$ 18,505,543.27

<b>Brokerage Account/ Money Market</b>	<b>Bonds and Notes</b>	<b>Totals</b>
\$ 13,388,413.83	\$ 25,397,253.64	\$ 51,548,894.19
		264,561.11
		6,014.00
		762,333.30
		2,776,811.77
4,152,458.77	3,988,590.00	9,872,637.09
501,968.31		501,968.31
		2,179,879.77
207,382.98		434,348.50
1,905,141.08		2,761,583.57
212,582.30		212,582.30
		18,406.41
		4,546.06
		10,108.02
		21,414.59
		100,000.00
		4,743,463.51
		32,181.64
		614,346.88
		10,000.00
		15,000.00
		425,080.21
		13,000.00
51,827.62		78,586.61
3,617,608.49		3,653,043.88
23,395,716.08		23,700,572.82
19,928,833.36		20,007,521.27
466,294.78		957,008.55
85,705.96	1,615,118.80	1,813,828.81
		2,291,676.66
3,382,865.63	2,993,390.00	8,810,980.20
1,661,162.32		1,901,599.98
3,625,645.00	2,003,363.33	6,112,949.42
5,908,725.56	14,086,085.21	25,549,426.28
4,600,155.94	25,549,833.64	36,182,832.43
5,306,369.52	14,026,454.66	19,905,366.75
<u>92,398,857.53</u>	<u>89,660,089.28</u>	<u>228,294,554.89</u>
\$ 92,398,857.53	\$ 89,660,089.28	\$ 228,294,554.89

# ***Analysis of Balances***

## ***September 30, 2019***

<b>Account Name</b>	<b>Cash (*)</b>	<b>Certificates of Deposit</b>
Sub-Total Brought Forward	\$ 27,730,064.81	\$ 18,505,543.27
Sub-Total County Commission Brought Forward	27,730,064.81	18,505,543.27
2014B Warrant Fund		
Special Highway Tax	1,740,400.42	8,398,058.48
Special Events Fund	37,514.16	
Motor Vehicle Registration/Titling Technology	11,091.54	
Severed Material Severance Tax	698,648.13	
Total County Commission	<u>30,217,719.06</u>	<u>26,903,601.75</u>
Treasurer's Petty Cash	200.00	
Building Inspection Account	41,236.06	
Accounts Payable	2,375.83	
Worker's Compensation Escrow	90,668.89	
Payroll Account	176,088.07	
Retirement Fund	281,114.98	
State Income Tax	214,993.18	
Garnishment Account	36,491.99	
Direct Pay	50.00	
Elective Insurance	46,709.28	
Individual Redemption Fund/Excess Tax	9,505,332.19	
License Commissioner Miscellaneous Account	513,733.61	
Law Library	189,128.08	
Sheriff's Requisition		117,531.23
Court Administration	57,255.93	
Juvenile Court Supervisory Fee	4,684.73	
State of Alabama - Judicial Administration Fund	221,277.67	
Racing Commission	19,319.06	
Racing Commission Contingency Fund	20,274.27	
Fiduciary Account		
Manufactured Home Law Fund	12,581.17	
License Commission's Special Training	4,322.61	
Treasurer Tax Refund Escrow Account	3,000.00	
Poll Workers Fund	30,047.56	
Revenue Commissioner's Fund	1,469.40	
Treasurer's Fee Account	2,632.12	
Animal Shelter	8,375.80	
Grand Total	<u>\$ 41,701,081.54</u>	<u>\$ 27,021,132.98</u>

(\*) Cash includes amounts in demand deposits.

<b>Brokerage Account/ Money Market</b>	<b>Bonds and Notes</b>	<b>Totals</b>
\$ 92,398,857.53	\$ 89,660,089.28	\$ 228,294,554.89
92,398,857.53	89,660,089.28	228,294,554.89
26,564.48		26,564.48
803,722.17	16,087,601.89	27,029,782.96
		37,514.16
		11,091.54
		698,648.13
<u>93,229,144.18</u>	<u>105,747,691.17</u>	<u>256,098,156.16</u>
		200.00
		41,236.06
		2,375.83
		90,668.89
		176,088.07
		281,114.98
		214,993.18
		36,491.99
		50.00
		46,709.28
1,527,737.04		11,033,069.23
		513,733.61
		189,128.08
694,252.80		811,784.03
		57,255.93
		4,684.73
		221,277.67
100,000.85		119,319.91
		20,274.27
625,464.72	1,480,891.19	2,106,355.91
		12,581.17
		4,322.61
		3,000.00
		30,047.56
		1,469.40
		2,632.12
		8,375.80
<u>\$ 96,176,599.59</u>	<u>\$ 107,228,582.36</u>	<u>\$ 272,127,396.47</u>

***Trust Funds on Hand***  
***September 30, 2019***

<b>Account Designation</b>	<b>Fiduciary Funds Under 10 Years</b>	<b>Fiduciary Funds Over 10 Years</b>	<b>Total</b>
Circuit Court Clerk	\$ 14,527.00	\$ 42,302.28	\$ 56,829.28
Circuit Court Register	89,871.15		89,871.15
District Court	543,663.73	18,966.14	562,629.87
Domestic Relations	1,654.44	241.96	1,896.40
Juvenile Court	73,053.50		73,053.50
License Commissioner	98,534.16	16,714.12	115,248.28
Probate Court	891,207.79	162.00	891,369.79
Revenue Commissioner	269,908.63		269,908.63
Sheriff's Department	107,549.32	17,356.51	124,905.83
Treasurer's Department	443.64	99.04	542.68
Excess Tax Bids	10,717,334.96	2,883.59	10,720,218.55
Individual Redemption	305,954.60		305,954.60
Totals	<u>\$ 13,113,702.92</u>	<u>\$ 98,725.64</u>	<u>\$ 13,212,428.56</u>

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## *Authority for Investments*

### *For the Year Ended September 30, 2019*

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Statutes authorize the County Commission to invest in any obligations in which sinking funds are authorized to be invested, pursuant to the *Code of Alabama 1975*, Section 11-81-19, and in addition in any of the following:

- ◆ Direct obligations of the U. S. Treasury and
- ◆ Obligations of federal agencies which are backed by the full faith and credit of the U. S. Government;
- ◆ Deposit accounts and certificates of deposit with Qualified Public Depositories as described in the *Code of Alabama 1975*, Section 41-14A-3;
- ◆ Secured pre-funded public obligations rated in the highest rating category of Standard and Poor's Corporation and Moody's Investment Service, Inc.; and
- ◆ Any common trust fund or collective investment fund maintained by a national or state chartered bank, trust company or savings and loan association, or any open-end or closed-end investment company or investment trust so long as the portfolio of such common trust fund, collective investment fund or investment company or investment trust consists only of investments of the U. S. Treasury or repurchase agreements with respect to such investments

Amendment 500 to the *Constitution of Alabama 1901*, further authorizes funds to be invested in secured repurchase agreements, secured commercial paper and secured banker's acceptances.