



State Treasurer's Office

Montgomery, Alabama

October 1, 2019 through September 30, 2024

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ALABAMA DEPARTMENT OF
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 State Treasurer's Office, Montgomery, Alabama, for the period October 1, 2019 through September 30, 2024. 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,

Kierra Burston
Examiner of Public Accounts

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Department of **Examiners of Public Accounts**

EXAMINER'S SUMMARY

**State Treasurer's Office
October 1, 2019 through September 30, 2024**

PURPOSE AND SCOPE OF EXAMINATION

This report presents the results of an examination of the State Treasurer's Office (the "Office") and a review of the Office's compliance with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12. The examination was performed to determine whether the public officers, agents, and employees of the Office properly and lawfully accounted for all money and other public assets, or resources received, disbursed, or in the custody of the Office.

This examination included procedures to determine whether the Office complied with the state laws and regulations that pertain to its financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. The Office's internal control policies and procedures relating to the areas listed above were also reviewed; however, this examination did not encompass managerial and operational matters, such as whether the Office accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

The mission and purpose of the Office is described in the accompanying Agency Overview.

RESULTS OF THE EXAMINATION

Nonconsumable personal property in the custody of the Office was compared with the property records maintained by the Property Inventory Control Division of the State Auditor's Office as required by the *Code of Alabama 1975*, Section 36-16-9. Testing revealed no discrepancies.

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

EXIT CONFERENCE

An exit conference was held on December 17, 2025. Individuals in attendance were Young Boozer, State Treasurer; Glenda Allred, Deputy Treasurer; and Chad Wright, Assistant Treasurer; along with Robin Hutcheson and Kierra Burston from the Department of Examiners of Public Accounts.



Department of Examiners of Public Accounts

AGENCY OVERVIEW

State Treasurer's Office October 1, 2019 through September 30, 2024

The State Treasurer's Office (the "Office") operates under the authority of the *Constitution of Alabama 2022*, Sections 112, 114 through 116, 118, 127, 129, 132, 136, 137 and 173, in addition to the provisions of the *Code of Alabama 1975*, Sections 5-23-1 through 5-23-6; Sections 16-33C-1 through 16-33C-25; Sections 35-12-70 through 35-12-96; Sections 36-17-1 through 36-17-21; Sections 41-14-1 through 41-14-16; Sections 41-14-30 through 41-14-38; Sections 41-14-50 through 41-14-56; Sections 41-14A-1 through 41-14A-14; and Sections 41-15A-1 through 41-15A-7.

The Office is responsible for the custody of all state funds, for funds deposited with the State, and for payment of the State's debt. The Office also serves as the State's central banking agency. The State Treasurer has custody of and is authorized to place funds on hand, not currently needed, in bank accounts, repurchase agreements, commercial paper, banker's acceptances, U. S. government securities, and U. S. agency securities.

The Office operates from Special Revenue Funds maintained in the State Treasury. The Office is subject to the State's normal budget procedures and cannot expend funds without legislative appropriation.

- ◆ **State Treasury Operations Fund** – This fund was established by the *Code of Alabama 1975*, Section 36-17-20, to be used exclusively for the operations of the Office of the State Treasurer. This fund may receive general fund appropriations, amounts from the Unclaimed Property Reserve Fund, and any other receipts. All unobligated amounts remaining in this special fund at the end of any fiscal year of the State of Alabama shall remain in this special fund and be available for use for the operations of the Office.
- ◆ **Penny Trust Fund** – This fund was established by the *Constitution of Alabama 2022*, Section 219.06, and codified in the *Code of Alabama 1975*, Sections 41-15A-1 through 41-15A-7, to promote the public health and the public schools. Citizens may make voluntary donations to the penny trust fund. All donations and funds received shall be held in perpetual trust and shall not be subject to legislative appropriation or otherwise expended. Other revenue sources of the fund come from fees from "Educator" and "Retired Educator" license plates and interest income earned on the fund. Fifty percent of the earnings subject to appropriation shall be dedicated to the programs and projects which promote the public health, and 50 percent dedicated to the public schools.

- ◆ **Unclaimed Property Reserve Fund** – This fund was established by the *Code of Alabama 1975*, Section 35-12-81. The Unclaimed Property Reserve fund consists of money that is considered lost or abandoned when an owner cannot be located after a specified period of time. Every business entity, including state and local governments, is required to transfer custody to the Office, any money or safe deposit boxes in its possession that does not belong to it. The State Treasurer is charged with safeguarding the property/money while trying to find the rightful owner/heir. All costs and expenses of administering the program and all costs and expenses of administering the Office of State Treasurer shall be paid from the State Treasury Operations Fund. On a quarterly basis, the Treasurer shall deposit in the State General Fund any surplus monies remaining in the Unclaimed Property Reserve Fund, after all requirements have been met.

Additionally, the Office administers the following programs:

- ◆ **Wallace-Folsom Savings Investment Plan Act** – This plan was established by the *Code of Alabama 1975*, Sections 16-33C-1 through 16-33C-25 and consists of the following programs:
 - **Prepaid Affordable College Tuition Program (PACT)** – This program was established as one college savings alternative under the plan whereby purchasers enter into PACT contracts for the future payment of tuition and mandatory fees at eligible educational institutions. This program has been closed to enrollment since 2008. Payments are being made in accordance with the 2011 Class Action Settlement Agreement.
 - **Alabama Comprehensive Education Savings Program (ACES)** – This qualified tuition program was established to assist individuals and families to save funds for the purpose of meeting the qualified higher education expenses of the designated beneficiary. The ACES savings account is an individual account held in the ACES Trust Fund established by a contributor in order to apply distributions from the account toward qualified higher education expenses for an eligible designated beneficiary.
 - **Achieving a Better Life Experience Program (ABLE)** – This program was established to assist individuals and families to save private funds to support individuals with disabilities to maintain health, independence, and quality of life. The ABLE savings account is an individual trust fund account established by a contributor pursuant to this chapter to apply distributions from the account toward qualified disability expenses for an eligible designated beneficiary. This account allows people with disabilities to save money without jeopardizing means-tested benefits such as Supplemental Security Income (SSI) or Medicaid.

- ◆ **Security for Alabama Funds Enhancement (SAFE) Program** – This program was established by the *Code of Alabama 1975*, Sections 41-14A-1 through 41-14A-14, to provide a uniform program for the security of public funds deposited with financial institutions in the State of Alabama that qualify to serve as depositories for public funds. The Program requires any bank or financial institution in the State of Alabama, accepting any deposits of public funds, to ensure those funds by pledging eligible collateral to the State Treasurer for the SAFE collateral pool. The law further provides for safeguarding of public deposits by requiring the entire pool and each participating financial institution to stand behind each deposit. In accordance with the *Code of Alabama 1975*, Section 41-14A-12, the costs and expenses of administering the SAFE Program are be paid from the State Treasury Operations Fund.
- ◆ **Distressed Institutions of Higher Education Loan Program** – The Distressed Institutions of Higher Education Loan Program was created by Act Number 2023-560, Acts of Alabama, to authorize the State Treasurer to establish terms and conditions of loans and to establish the Distressed Institutions of Higher Education Loan Program Fund. The funds received were through appropriations from the Education Trust Fund. No loans were distributed. This program was repealed by Act Number 2024-444, Acts of Alabama and is no longer active.

The Officials in charge of governance for the Office are shown on Exhibit 1. Additional information on the State Treasurer's Office can be found on their website at www.treasury.alabama.gov.

Other Information

Officials
October 1, 2019 through September 30, 2024

Officials		Term Expires
Hon. Young Boozer, III	State Treasurer 600 Dexter Avenue Room S-106 Montgomery, AL 36104 (334) 242-7500 https://treasury.alabama.gov	2027
Hon. John M. McMillan, Jr.	Former State Treasurer	September 30, 2021