

**STATE OF DELAWARE
OFFICE OF THE STATE TREASURER
BANK RECONCILIATIONS**

AGREED-UPON PROCEDURES

QUARTER ENDED SEPTEMBER 30, 2016

STATE OF DELAWARE
OFFICE OF THE STATE TREASURER
BANK RECONCILIATIONS

QUARTER ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1 - 4
Exhibit A – General Account Cash Reconciliation – Quarter Ended September 30, 2016	5
Exhibit B – Reconciliation to Accounting – September 30, 2016	6 - 15
Exhibit C – Proof of Cash Reconciliation – Quarter Ended September 30, 2016	16

Zelenkofske Axelrod LLC

Independent Accountants' Report on Applying Agreed-Upon Procedures

Mr. R. Thomas Wagner, Jr., CFE, CGFM, CICA
State Auditor
Office of Auditor of Accounts
State of Delaware

We have performed the procedures enumerated below, which were agreed to by the Office of the State Treasurer and the Office of Auditor of Accounts, State of Delaware, solely to assist you in the evaluation of the bank reconciliations of the Office of the State Treasurer as of September 30, 2016. The Office of the State Treasurer's management is responsible for the State of Delaware's (the "State") bank reconciliations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Compared the list of accounts generated from the First State Financials (FSF) *Activity by Balance Sheet Account* (DGL046) to the bank accounts reconciled by the Office of the State Treasurer and the accounts included as part of each quarter's ending cash balance in FSF cash accounts 11000, 11001, 11002, 11005, 11006, 11007, 11010, 11011, 11012, 11017, 11023, 11024, and 11025 and found them in agreement.

Performed the following procedures regarding agency and department level reconciliations:

- a. We discussed the reconciliation process with the Office of the State Treasurer, noting that the DGL046 report used for the monthly Treasurer's FSF reconciliation provides information by bank code only, not by agency/department level.
- b. Confirmed there is not a system report that shows a breakout of the Office of the State Treasurer ending cash balances at the agency or department level. As a result, the Office of the State Treasurer completes the monthly Treasurer's to FSF reconciliation at the statewide level only (by bank code, as detailed on the DGL046). Detailed information is not available to complete a reconciliation at the agency/department level or to provide cash balances at the agency/department level as of a specified point in time.

Harrisburg

830 Sir Thomas Court, Suite 100
Harrisburg, PA 17109
717.561.9200 Fax 717.561.9202

Philadelphia

2370 York Road, Suite A-5
Jamison, PA 18929
215.918.2277 Fax 215.918.2302

Pittsburgh

3800 McKnight E. Drive, Suite 3805
Pittsburgh, PA 15237
412.367.7102 Fax 412.367.7103

Greensburg

210 Tollgate Hill Road
Greensburg, PA 15601
724.834.2151 Fax 724.834.5969

Zelenkofske Axelrod LLC

2. Obtained the required quarterly reconciliation format comparing the Ending Balance on the DGL046 "Cash account subtotals" page to the FSF *Daily Validity Report* (DGL060) "STATE TOTALS" page for the quarter ended September 30, 2016 as detailed below.

FSF Balance Sheet Account to Daily Validity Report Reconciliation - Cash and Investments
September 30, 2016

Combined Cash Balance as of September 30, 2016 per DGL046 \$1,668,880,196

Less Encumbrances and Remaining Spending Authority per DGL060:

	Encumbered	Remaining Spending Authority	Total	
NSF-20 (Nonappropriated Special Funds)	\$ 69,004,661	\$ 917,902,085	\$ 986,906,746	
Remaining balance left to satisfy other fund types				681,973,450
ASF HOLD-30 (Appropriated Special Funds)	93,045,524	343,634,901	436,680,425	
Remaining balance left to satisfy other fund types				245,293,025
GF-03 (General Fund - prior year continuing)	28,943,664	63,063,610	92,007,274	
GF-04 (General Fund - prior year encumbrance balance)	14,557,586	527,500	15,085,086	
Remaining balance left to satisfy other fund types				138,200,665
GF-01 (General Fund - regular appropriations)	352,571,444	2,733,795,165	3,086,366,609	
GF-02 (General Fund - supplemental appropriations)	1,386,672	34,268,761	35,655,433	
Remaining balance left to satisfy other fund types				138,200,665
Cash and Investments at the Office of the State Treasurer as of September 30, 2016 in excess (deficit) of all fund balances				\$ (2,983,821,377)

3. Determined the bank account balances held by the Office of the State Treasurer are not sufficient to support the use of the fund types listed at procedure #2 at September 30, 2016.

Zelenkofske Axelrod LLC

4. Obtained the Office of the State Treasurer's reconciliation of bank balances to FSF as of September 30, 2016 and performed procedures #5 - #9 below.
5. Agreed each bank balance to the actual bank statements, and also agreed each book balance to the DGL046 report. No exceptions were noted.
6. Obtained explanations and examined supporting documentation for reconciling items over \$2,905,000, including the subsequent clearing of these reconciling items in the following months. No exceptions were noted.
7. Recalculated the reconciliations for mathematical accuracy. No exceptions were noted.
8. Compared the types and amounts of reconciling items over \$2,905,000 for nonrecurring items. Nonrecurring items are any items that are not outstanding deposits, outstanding checks – vendor and Division of Revenue accounts, ACH payments, general journal vouchers and Treasury vouchers. No items were noted that were both over \$2,905,000 and nonrecurring.
9. Agreed the cash balance reflected in the reconciliations to the Monthly Financial Report submitted by the Secretary of Finance to the Governor and members of the General Assembly. No exceptions were noted.
10. Obtained and reviewed the Office of the State Treasurer's bank reconciliation policies and procedures dated February 28, 2000, in order to determine if these policies and procedures were applied when the Office of the State Treasurer performed its September 30, 2016 reconciliation. We noted that the 2000 policy document was still in effect for the reconciliation process to FSF; there were no material changes to the reconciliation process. No deviation from written policy was noted.
11. Obtained the wire transfer log for the quarter. Selected all significant transfers between accounts in excess of \$2,905,000 for the quarter and agreed the transfer information to the applicable month's bank statements, ensuring both sides of the transfer actually occurred within one business day. No exceptions were noted.
12. Agreed the transfer activity obtained in procedure #11 to the appropriate postings in the accounts on the DGL046 report. No exceptions were noted.
13. Haphazardly selected the following five wire transfers between accounts in the quarter from the zero-balance bank accounts and agreed the net activity to the corresponding clearing in the concentration bank account. In addition, agreed the monthly posting of the zero balance and concentration activity to the DGL046 report. No exceptions were noted.

	<u>Wire Date</u>	<u>Amount</u>
Quarter ended September 30, 2016	07/12/16	\$ 887,642.15
	07/12/16	\$ 435,811.68
	08/24/16	\$ 2,433,239.54
	09/07/16	\$ 498,957.31
	09/19/16	\$ 22,086.08

Zelenkofske Axelrod LLC

14. Obtained the Office of the State Treasurer's General Account Cash Reconciliation as of September 30, 2016, summarized the quarter's reconciliations into the form of Exhibit A, and performed the following procedures:
 - a. Agreed the bank account information to the corresponding bank statements. No exceptions were noted.
 - b. Agreed the ending book balance to the ending balance as reported in the Reconciliation to Accounting Exhibit B and the to the quarter-end reconciliation. No exceptions were noted.
15. Obtained the monthly rollforward of cash activity from the Office of the State Treasurer, summarized the quarterly activity and obtained the "Proof of Cash Reconciliation" in the form of Exhibit C, and performed the following procedure:
 - a. Agreed the beginning balances to the prior month's ending balances and agreed the ending balances to the monthly reconciliations. No exceptions were noted.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified bank reconciliations. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Office of the State Treasurer and the Office of the Auditor of Accounts, State of Delaware, and is not intended to be, and should not be, used by anyone other than those specified parties. However, under 29 Del. C. §10002(1), this report is a public record and its distribution is not limited. This report is required by statute, was provided to the Governor of the State of Delaware, the State of Delaware Controller General, the State of Delaware Attorney General, and the State of Delaware Office of Management and Budget.

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
December 14, 2016

Exhibit A

STATE OF DELAWARE
OFFICE OF THE STATE TREASURER
BANK RECONCILIATIONS

General Account Cash Reconciliation

Quarter ended September 30, 2016

Balance per Citizens Bank	\$ 1,104,167
Balance per Mellon Bank	<u>156,529,525</u>
Bank balance at September 30, 2016	<u>157,633,692</u>
Additions:	
Investments managed by Wilmington Trust, account number 830754	147,799,516
Investments managed by Wachovia Bank, account number 830751	148,245,925
Receivables from various sources	148,140
Deposits in transit	(172,087)
Balance at Bank of New York Mellon, account number 353608	57,036,809
Balance at Bank of New York Mellon-JPMorgan, account number 830766	244,379,313
Balance at Bank of New York Mellon, account number 830760 and 830763	260,922,220
Balance at Bank of New York Mellon, account number 830762, 830764, and 830765	483,768,933
Fidelity Government Obligation Bonds 2014A	777,592
Fidelity Government Obligation Bonds 2016A	28,755,717
Fidelity Government Obligation Bonds 2016B	8,032,196
Balance at Bank of New York Mellon, account number 830800, 830801, 830802, and 830803	64,494,195
Balance at Wilmington Trust, Morgan Greenfield Intermediate, account number 830759	164,483,580
Balance at Bank of America, Labor Lockbox	-
Balance at JP Morgan Chase, Corp Lockbox	477,682
Fidelity 2013 MMLPA	286,021
Balance at PNC Bank, Concentration, account number 5694010993	5,022,467
Balance at PNC Bank, DMR Special Services, account number 56-94003988	280,172
US Bank - Bonds #107954000	<u>738,965</u>
Subtotal	<u>1,615,477,356</u>
Deductions:	
Outstanding zero-balance accounts (ZBAs) - outstanding checks	85,972,665
Payable for bank errors	11,349
Payable to Mellon 07/98	10,069
Payable to PNC Bank miscellaneous adjustments	<u>48,480</u>
Subtotal	<u>86,042,563</u>
Balance per State Treasurer's books, adjusted September 30, 2016	<u>\$ 1,687,068,485</u>

See accompanying independent accountants' report on applying agreed-upon procedures.

Office of the State Treasurer
 Reconciliation to Accounting
 September 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variations Bank to Ledger	Variations FSF/DFMS to Ledger	
██████████ Citizens		659,532.58		Outstanding Deposits-FY 2017 450,263.22 Bank Error 0.00 CWA 0.00 Outstanding Deposits (prior FY10) (11.09) Over/Short (FY2010) 79.84 Deposits in Transit (old to FY2009) 86,395.29 CRs done to wrong bank code (old to FY2009) (39,017.79) MW/JV needed (prior FY2010) (35,156.98) Need JV's (2,111.30) Open Receivables (old to FY 2009) (15,807.23) Voucher Done to wrong bank account 0.00 <i>Paperwork Variances with Other Bank Accounts</i> NEED TRV	0.00	450,263.22 0.00 0.00 (11.09) 79.84 170,974.82 (39,017.79) (35,156.98) (2,111.30) (15,807.23) 0.00	450,263.22 0.00 (11.09) (84,579.53) (39,017.79) (35,156.98) (2,111.30) 0.00
Offset Adjustment		0.00	0.00				
	1,104,166.54	659,532.58	444,633.96		155,247.43	289,386.53	
██████████ PNC Payroll		(85,557.18)		Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09) (2,633.21) Bank Errors(bank)/Cks Cleared(pw-Book)(FY10-FY16) (2,075.51) Direct Deposit Receivable (old-FY09) 40,120.04 Direct Deposit Receivable (FY10-17) 187,574.22 Forgery credit-need JE 0.00 Cancelled Checks(old-FY09) 152,922.88 Cancelled Checks(FY10-FY13,17) 19,839.02 Stale Dated Checks(old-FY09) (51,880.37) Stale Dated Checks(FY16/17) 26,226.89 Need JV-Handwritten checks(8/11-9/11,1/12,3/12) (1,661.52) Pay Cycle Adjustments(old to FY01) (263,195.03) Pay Cycle Adjustments(PHRST)(FY02) (302,190.38) Pay Cycle Adjustments(PHRST)(FY03) (267,632.16) Pay Cycle Adjustments(PHRST)(FY04) 94,358.85 Pay Cycle Adjustments(PHRST)(FY05) (143,665.93) Pay Cycle Adjustments(PHRST)(FY06) (277,530.56) Pay Cycle Adjustments(PHRST)(FY07) (125,053.38) Pay Cycle Adjustments(PHRST)(FY08) (24,346.64) Pay Cycle Adjustments(PHRST)(FY09) (29,288.06) Pay Cycle Adjustments(PHRST)(FY10) (116,153.70) Pay Cycle Adjustments(PHRST)(FY11) (17,449.96) Pay Cycle Adjustments(PHRST)(FY12) (79,197.08) Pay Cycle Adjustments(PHRST)(FY13) (73,428.25) Pay Cycle Adjustments(PHRST)(FY14) (6,119.15) Pay Cycle Adjustments(PHRST)(FY15) (40,602.64) Pay Cycle Adjustments(PHRST)(FY16) (18,991.63) Pay Cycle Adjustments(PHRST)(FY17) (52,266.03) Group Life/Dental 7,813.40 PHRST unidentified variance (FY02-FY10) 334,994.90 PHRST unidentified variance (FY11) 25,963.29 Tax Adjustment CY2012 (138,674.97) Vendor Refund Variances 73,821.98 Tax Adjustments 246,452.56 Personal Reimbursements 14,812.44 Personal Reimbursements(Need JV-FY13-FY17) (4,253.18)	6,539.89 0.00 (9,167.08) (12,259.89) 0.00 152,922.88 19,839.02 (51,880.37) 26,226.89 (1,661.52) (263,195.03) (302,190.38) (267,632.16) 94,358.85 (143,665.93) (277,530.56) (125,053.38) (24,346.64) (29,288.06) (116,153.70) (17,449.96) (79,197.08) (73,428.25) (6,119.15) (40,602.64) (18,991.63) (52,266.03) 7,813.40 334,994.90 25,963.29 (138,674.97) 73,821.98 246,452.56 14,812.44 (4,253.18)	(9,173.10) (2,075.51) 49,287.12 199,834.11 0.00 152,922.88 19,839.02 (51,880.37) 26,226.89 (1,661.52) (263,195.03) (302,190.38) (267,632.16) 94,358.85 (143,665.93) (277,530.56) (125,053.38) (24,346.64) (29,288.06) (116,153.70) (17,449.96) (79,197.08) (73,428.25) (6,119.15) (40,602.64) (18,991.63) (52,266.03) 7,813.40 334,994.90 25,963.29 (138,674.97) 73,821.98 246,452.56 14,812.44 (4,253.18)	

Office of the State Treasurer
 Reconciliation to Accounting
 September 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
				Misc Variances	(29,864.34)		(29,864.34)
				Outstanding Checks	928,810.39	928,810.39	
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Checks Cleared Monthly Journal Entry	0.00		
Offset Adjustment		0.00	(0.00)				
	0.00	(85,557.18)	85,557.18			913,923.31	(828,366.13)
		0.00					
				Transits	0.00	0.00	
				Interest- Need CR	0.00		0.00
				Outstanding Deposits	0.00		0.00
				Bank Error	0.00	0.00	
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV from JPM Lockbox	0.00		
				ECC: Need TRV	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
		0.00					
				Outstanding Deposits	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV to Corp Lockbox	0.00		
				ECC: Need TRV	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
		0.00					
				Outstanding Deposits	0.00		0.00
					0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV-Daily Wire	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
		4,953,594.79		Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09)	10,999.62	48,705.07	(37,705.45)
				Outstanding Deposits -DNREC	109,908.57		109,908.57
				Credit Card Fees (old-FY10)	(6,507.39)	(6,507.39)	
				Over/Shorts (FY10)	(20.00)	(20.00)	
				Vendor ACH PMT- Returned- Need CR	2,500.00		2,500.00
				Open Payables	0.30	0.30	
				JV Needed for Payroll Ondemand Check	(750.40)		(750.40)
				JV Needed for Wire Returned	(671.00)		(671.00)
				Need Manual Pmt- Pension Bank Fee	(396.63)		(396.63)
				JV Needed for Child Support	0.00		0.00
				Need TRV-Bonds	(0.02)		(0.02)
				Daily wire JV done wrong amt-12/26/13	0.60		0.60
				Misc Adjustment	1.01	0.00	1.01
				MW Done Early	(46,192.67)	0.00	(46,192.67)
							0.00

Office of the State Treasurer
 Reconciliation to Accounting
 September 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variations Bank to Ledger	Variations FSF/DFMS to Ledger
				<u>Paperwork Variances with Other Bank Accounts</u>		
				Need TRV		
				Need TRV	0.00	
				Need TRV		
Offset Adjustment		0.00	0.00			
	5,022,466.78	4,953,594.79	68,871.99		42,177.98	26,694.01
		0.00		Voucher Done to wrong bank account	0.00	0.00
PC: BONY						0.00
				<u>Paperwork Variances with Other Bank Accounts</u>		
				Checks Cleared Monthly Journal Entry	0.00	
Offset Adjustment		0.00	0.00			
	0.00	0.00	0.00		0.00	0.00
		(39,134,416.15)		Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09)	(55,178.09)	(14,418.93)
				Bank Errors(bank)/Cks Cleared(pw-Book)(FY10-FY17)	3,811.84	(5,321.16)
PNC				Cancelled Checks (old to FY09)	(11,996.80)	(11,996.80)
				Cancelled Checks (FY10)	0.00	0.00
Vendor				ACH Returns (old-FY10)	(2,133.78)	(2,133.78)
				ACI Pymts Outstanding	12,844.05	12,844.05
				Misc Adjustments	3,478.13	3,478.13
				Forgery Credits	5,552.36	5,552.36
				Stale Dated Checks(old-FY09)	10,167.31	10,167.31
				Stale Dated Checks(FY10-FY17)	3,524,818.16	3,524,818.16
				Paid Check -Cancelled in FSF-Need TRV 18000	0.00	0.00
				July 2010 Cancelled check twice in FSF	0.00	0.00
				Ck 804761 -returned by pnc	0.00	0.00
				FSF Variance	135,868.01	135,868.01
				Outstanding checks	35,507,184.96	35,507,184.96
				<u>Paperwork Variances with Other Bank Accounts</u>		
				Checks Cleared Monthly Journal Entry	0.00	
Offset Adjustment		0.00	0.00			
	0.00	(39,134,416.15)	39,134,416.15		35,475,558.80	3,658,857.35
		(20,873,963.76)		ACH Pmt processed August paid September	21,067,484.41	21,067,484.41
				ACH Returns -FY11	(48,448.22)	(48,448.22)
PNC				ACH Returns -FY12	(1,002.73)	(1,002.73)
Vendor ACH				ACH Returns -FY13	2,088.94	2,088.94
				ACH Returns -FY14	22,483.86	22,483.86
				ACH Returns -FY15	36,454.45	36,454.45
				ACH Returns -FY16	(228,535.18)	(228,535.18)
				ACH Returns -FY17	9,973.67	9,973.67
				Reversal Vouchers-FY11	13,404.56	13,404.56
				Need TRV-June 13	90.00	90.00
				Wire Service Fees	(30.00)	(30.00)
				<u>Paperwork Variances with Other Bank Accounts</u>		
				Checks Cleared Monthly Journal Entry	0.00	
Offset Adjustment		0.00	(0.00)			
	0.00	(20,873,963.76)	20,873,963.76		21,067,484.41	(193,520.65)
		155,505,839.22				

Office of the State Treasurer
 Reconciliation to Accounting
 September 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
Mellon				Outstanding Deposits-FY 2011	(621.35)		(621.35)
				Outstanding Deposits-FY 2014	(17,958.76)		(17,958.76)
				Outstanding Deposits-FY 2017	1,042,267.31		1,042,267.31
				TRV-Bond Pmt-	0.00		0.00
				Need Manual Pmt-	0.00		0.00
				PW done twice-	0.00		0.00
				PW Done Aug-Money Moved Sept	0.00		0.00
				Need TRV from WTC-Bonds	0.00		0.00
				TRV Correction-TTF	(0.10)		(0.10)
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV-Daily wire			
				Need TRV bonds			
				Need TRV- ECC			
Offset Adjustment		0.00	0.00				
	156,529,526.32	155,505,839.22	1,023,687.10			0.00	1,023,687.10
██████████		(5,937,027.40)		Outstanding Deposits-FY17	5,937,027.40		5,937,027.40
██████████							
██████████							
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV to move money from ECC to Mellon	0.00		
				Need TRV- Corp LxBx	0.00		
Offset Adjustment		0.00	0.00				
	0.00	(5,937,027.40)	5,937,027.40			0.00	5,937,027.40
██████████		0.00		Interest	0.00		0.00
PC: BONY							0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			
				TRV	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
██████████		0.00		Interest	0.00		0.00
██████████				Misc Transfer Adjustment	0.00		0.00
BONY							
				<u>Paperwork Variances with Other Bank Accounts</u>			
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
██████████		0.00		Interest	0.00		0.00
██████████				Misc Transfer Adjustment	0.00		0.00
BONY							
				<u>Paperwork Variances with Other Bank Accounts</u>			
				TRV-PFM Liquidity	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
██████████		114,101,675.55		Interest	119,110.94		119,110.94
██████████							

Office of the State Treasurer
 Reconciliation to Accounting
 September 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
BONY				<u>Paperwork Variances with Other Bank Accounts</u>			
				TRV-Federated Inter	0.00		
Offset Adjustment		0.00	0.00				
	114,220,786.49	114,101,675.55	119,110.94			0.00	119,110.94
██████████		146,646,965.11			54,467.94		54,467.94
BONY				<u>Paperwork Variances with Other Bank Accounts</u>			
				TRV-PFM Liquidity	0.00		
Offset Adjustment		0.00	0.00				
	146,701,433.05	146,646,965.11	54,467.94			0.00	54,467.94
██████████		147,954,866.68		Interest	291,057.85		291,057.85
BONY				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				TRV-Correction	0.00		
Offset Adjustment		0.00	0.00				
	148,245,924.53	147,954,866.68	291,057.85			0.00	291,057.85
██████████		161,516,910.00		Interest	68,799.65		68,799.65
BONY				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				TRV-Chandler	0.00		
				TRV-Morgan Stanley	0.00		
Offset Adjustment		0.00	(0.00)				
	161,585,709.65	161,516,910.00	68,799.65			0.00	68,799.65
██████████		56,864,405.80		Interest	172,403.34		172,403.34
BONY				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
Offset Adjustment		0.00	(0.00)				
	57,036,809.14	56,864,405.80	172,403.34			0.00	172,403.34
██████████		20,877,135.93		Interest	0.00		0.00
BONY				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV-Bud Reserve	0.00		
Offset Adjustment		0.00	0.00				
	20,877,135.93	20,877,135.93	0.00			0.00	0.00
██████████		23,072,659.25		Interest	221,653.29		221,653.29
BONY				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV-Bud Reserve	0.00		
Offset Adjustment		0.00	0.00				
	23,294,312.54	23,072,659.25	221,653.29			0.00	221,653.29
██████████		221,085,000.00		Interest	0.00		0.00
BONY				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV-Bud Reserve	0.00		
Offset Adjustment		0.00	0.00				
	221,085,000.00	221,085,000.00	0.00			0.00	0.00

Office of the State Treasurer
 Reconciliation to Accounting
 September 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variance Bank to Ledger	Variance FSF/DFMS to Ledger
██████████ ██████████ BONY		147,651,831.11		Interest 147,685.35 Bonds-July 2013 0.00 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Correction		147,685.35 0.00
Offset Adjustment		0.00	0.00			
	147,799,516.46	147,651,831.11	147,685.35		0.00	147,685.35
██████████ ██████████ BONY		0.00		Interest 0.00 <u>Paperwork Variances with Other Bank Accounts</u>		0.00 0.00
Offset Adjustment		0.00	0.00			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ BONY		20,021,903.22		Interest 0.00 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Federated Inter 0.00		0.00 0.00
Offset Adjustment		0.00	0.00			
	20,021,903.22	20,021,903.22	0.00		0.00	0.00
██████████ ██████████ BONY		172,431,634.07		Interest 276,177.42 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Federated Inter 0.00		276,177.42 0.00
Offset Adjustment		0.00	(0.00)			
	172,707,811.49	172,431,634.07	276,177.42		0.00	276,177.42
██████████ ██████████ BONY		149,279,633.92		Interest 195,777.62 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Mellon 0.00 Need TRV-Cutwater 0.00		195,777.62 0.00
Offset Adjustment		0.00	(0.00)			
	149,475,411.54	149,279,633.92	195,777.62		0.00	195,777.62
██████████ ██████████ BONY		3,007,321.77		Interest 904.22 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Bud Reserve 0.00		904.22 0.00
Offset Adjustment		0.00	(0.00)			
	3,008,225.99	3,007,321.77	904.22		0.00	904.22
██████████ ██████████ BONY		164,040,550.09		Interest 443,029.94 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Bud Reserve 0.00		443,029.94 0.00
Offset Adjustment		0.00	0.00			
	164,483,580.03	164,040,550.09	443,029.94		0.00	443,029.94
██████████ ██████████ BONY		20,568,484.70		Interest 18,445.07 Bond TRV 0.00 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Bud Reserve 0.00		18,445.07 0.00 0.00

Office of the State Treasurer
 Reconciliation to Accounting
 September 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
Offset Adjustment		0.00	(0.00)				
	20,586,929.77	20,568,484.70	18,445.07			0.00	18,445.07
██████████ BONY		0.00		Interest	0.00		0.00
				Need Correction	0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need Correction	0.00		0.00
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
██████████ ██████████		0.00		TRV needs correction done to wrong Account	0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
				Daily TRV needs correction done to wrong Account	0.00		0.00
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
██████████ ██████████ JPMorgan		477,682.08		Outstanding Deposits	0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
				Need TRV from Lockbxs	0.00		0.00
				TRV-ECC	0.00		0.00
Offset Adjustment		0.00	0.00				
	477,682.08	477,682.08	0.00			0.00	0.00
██████████ ██████████ PNC-CC		0.00		Outstanding Deposits	0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
				Need TRV-Daily Wire			0.00
				Need TRV-Deposit	0.00		0.00
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
██████████ ██████████ PNC DMR		15,577.93			0.00		0.00
				NEED TRV FOR Correction-1/2005	(94.00)		(94.00)
				NEED TRV FOR ACTIVITY-12/15	0.03		0.03
				NEED TRV FOR ACTIVITY-6/16	(9,302.15)		(9,302.15)
				NEED TRV FOR ACTIVITY-7/16	(3,605.53)		(3,605.53)
				NEED TRV FOR ACTIVITY-8/16	4,100.40		4,100.40
				NEED TRV FOR ACTIVITY-9/16	273,495.04		273,495.04
				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
Offset Adjustment		0.00	0.00				
	280,171.72	15,577.93	264,593.79			0.00	264,593.79
██████████ ██████████ PNC Abandoned Property		(18,858,656.86)		Bank Errors(bank)/Cks Cleared(pw-Book)(FY16)	0.00		0.00
				Cancelled Checks	0.00		0.00
				Forgery Credits (FY10-FY16)	0.00		0.00
				Stale Dated Checks(old to FY09)	0.00		0.00
				Outstanding Checks	18,858,656.86	18,858,656.86	0.00

Office of the State Treasurer
 Reconciliation to Accounting
 September 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
				Need JV-Monthly Check Write	(1,418,276.98)		(1,418,276.98)
				Need JV-Stimulus Check Write	(44,722.35)		(44,722.35)
				Forgery Credits (old to FY09)	(136.00)		(136.00)
				Forgery Credits (FY10-FY17)	17,020.00		17,020.00
				Outstanding Checks	272,478.46	272,478.46	
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Checks Cleared Monthly Journal Entry	0.00		
Offset Adjustment		0.00	0.00				
	0.00	618,945.91	(618,945.91)			268,421.14	(887,367.05)
		28,744,745.61		Interest-Need Cash Receipt	10,971.58		10,971.58
				Wire In-Need Cash Receipt	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV-Mellon			
Offset Adjustment		0.00	(0.00)				
	28,755,717.19	28,744,745.61	10,971.58			0.00	10,971.58
		8,030,159.62		Interest-Need Cash Receipt	2,036.85		2,036.85
				Need Cash Receipt	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			
				need TRV	0.00		
Offset Adjustment		0.00	0.00				
	8,032,196.47	8,030,159.62	2,036.85			0.00	2,036.85
		777,420.48		Interest-Need Cash Receipt	171.70		171.70
				<u>Paperwork Variances with Other Bank Accounts</u>			
Offset Adjustment		0.00	(0.00)				
	777,592.18	777,420.48	171.70			0.00	171.70
		0.00		Interest-Need Cash Receipt	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
		284,667.46		Interest-Need Cash Receipt	62.87		62.87
				<u>Paperwork Variances with Other Bank Accounts</u>			
Offset Adjustment		0.00	0.00				
	284,730.33	284,667.46	62.87			0.00	62.87
		1,290.20		Interest-Need Cash Receipt	0.29		0.29
Fidelity							0.00

Office of the State Treasurer
 Reconciliation to Accounting
 September 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variations Bank to Ledger	Variations FSF/DFMS to Ledger
Trane Lease				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	Need TRV	0.00	
	1,290.49	1,290.20	0.29		0.00	0.29
██████████		0.00		Interest-Need Cash Receipt	0.00	0.00
Fidelity BONDS				<i>Paperwork Variances with Other Bank Accounts</i>		0.00
Offset Adjustment		0.00	0.00	Need TRV Bond PW	0.00	
	0.00	0.00	0.00		0.00	0.00
██████████		738,965.00		Interest- Need Cash Receipt	0.00	0.00
BONDS				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	Need Correction PW done to wrong acct	0.00	
	738,965.00	738,965.00	0.00		0.00	0.00
Grand Total	1,773,134,994.93	1,668,880,195.65	104,254,799.28		104,254,799.28	86,066,510.36

General Ledger 1,687,068,484.57

Exhibit C

**STATE OF DELAWARE
OFFICE OF THE STATE TREASURER
BANK RECONCILIATIONS**

Proof of Cash Reconciliation

Quarter ended September 30, 2016

Balance per State Treasurer's books, June 30, 2016	\$ 2,195,061,869
Additions:	
Deposits to Cash Receipts Journal	1,740,491,189
Transportation Trust Fund Deposits	139,385,029
Receivables for Bank Errors	612
Receivables for CM Forgery Credits	805
Outstanding Cash Receipts	7,994,157
Division of Mental Retardation Transfer	273,990
Outstanding Checks Prior Month	198,457,961
	<hr/>
Subtotal	2,086,603,743
Deductions:	
Transfer for Principal and Interest Bonds	51,610,000
Transfer from Mellon for Direct Deposit for Payroll and Pensions	500,340,019
Transfer from Mellon to Mercantile for Pensions	93,349,146
Transfer from Mellon -TTF	13,353,800
Transfer from Mellon - DOE	4,907,475
Transfer from Mellon - DEDO	250,000
Transfer from Mellon - OMB-BOA	54,294
Transfer from Mellon - Saul Ewing	169,527
Transfer from Mellon - Def Comp	10,133,544
Transfer from Mellon -TSA Plan	6,459,344
Transfer from Mellon -DNREC-Tunnell & Raysor	282,658
Transfer from Mellon - DOS	67,016
Transfer from Mellon - Aetna	415,524
Transfer from Mellon - Highmark	15,866,105
Transfer from Mellon - Medco	9,516,900
Transfer from Mellon Medicaid	157,662,724
Transfer from Mellon Supercard	30,976,092
Transfer from Mellon SSI	234,000
Transfer from PNC for PNC Bank Fees SPO	309
Transfer from PNC for Bonds	36,309,734
Transfer for Fed Tx, FICA, & Medicare	136,691,370
Transfer for Child Support-Payroll Vendor	767,626
ACH Transfers	1,047,767,292
Transfer for Cleared ZBAs	246,829,907
Transfer for Outstanding ZBAs	230,582,721
	<hr/>
Subtotal	2,594,597,127
	<hr/>
Balance per State Treasurer's books, adjusted September 30, 2016	\$ 1,687,068,485
	<hr/>