

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

AGREED-UPON PROCEDURES

QUARTER ENDED DECEMBER 31, 2016

STATE OF DELAWARE
OFFICE OF THE STATE TREASURER
BANK RECONCILIATIONS

QUARTER ENDED DECEMBER 31, 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 December 31, 2016	5
Exhibit B – Reconciliation to Accounting – December 31, 2016	6 - 17
Exhibit C – Proof of Cash Reconciliation – Quarter Ended December 31, 2016	18

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 December 31, 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, 11025, and 11029 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.

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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 December 31, 2016 as detailed below.

FSF Balance Sheet Account to Daily Validity Report Reconciliation - Cash and Investments
December 31, 2016

Combined Cash Balance as of December 31, 2016 per DGL046 \$1,639,974,241

Less Encumbrances and Remaining Spending Authority per DGL060:

	Encumbered	Remaining Spending Authority	Total	
NSF-20 (Nonappropriated Special Funds)	\$ 73,966,166	\$ 1,294,397,608	\$ 1,368,363,774	
Remaining balance left to satisfy other fund types				271,610,467
ASF HOLD-30 (Appropriated Special Funds)	90,730,685	364,915,821	455,646,506	
Remaining balance left to satisfy other fund types				(184,036,039)
GF-03 (General Fund - prior year continuing)	20,692,335	54,518,816	75,211,151	
GF-04 (General Fund - prior year encumbrance balance)	5,751,901	1,715,755	7,467,656	
Remaining balance left to satisfy other fund types				(266,714,846)
GF-01 (General Fund - regular appropriations)	273,336,853	1,822,178,959	2,095,515,812	
GF-02 (General Fund - supplemental appropriations)	1,171,796	17,211,049	18,382,845	
Cash and Investments at the Office of the State Treasurer as of December 31, 2016 in excess (deficit) of all fund balances				\$ (2,380,613,503)

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 December 31, 2016.

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4. Obtained the Office of the State Treasurer's reconciliation of bank balances to FSF as of December 31, 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 \$3,074,000, 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 \$3,074,000 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 \$3,074,000 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 December 31, 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 \$3,074,000 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 December 31, 2016	10/03/16	\$ 252,501.72
	10/03/16	\$ 22,285.26
	11/07/16	\$ 2,700,218.11
	11/18/16	\$ 1,298,393.29
	12/07/16	\$ 195,023.00

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14. Obtained the Office of the State Treasurer's General Account Cash Reconciliation as of December 31, 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
March 15, 2017

Exhibit A

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

General Account Cash Reconciliation
Quarter ended December 31, 2016

Balance per Citizens Bank	\$ 1,434,363
Balance per Mellon Bank	<u>174,608,435</u>
Bank balance at December 31, 2016	<u>176,042,798</u>
Additions:	
Investments managed by Northern Trust, account number DOST01	158,115,425
Investments managed by Northern Trust, account number 4471371	158,445,785
Receivables from various sources	160,437
Deposits in transit	(172,742)
Balance at Bank of New York Mellon, account number 353608	-
Balance at Northern Trust-JPMorgan, account number 4471381	227,863,019
Balance at Northern Trust, account number 4471378 and 4471376	260,670,431
Balance at Northern Trust, account number 4471379, 4471380, and 4471377	461,817,112
Fidelity Government Obligation Bonds 2014A	778,168
Fidelity Government Obligation Bonds 2016A	-
Fidelity Government Obligation Bonds 2016B	-
Balance at Northern Trust, account number 4471382, 4471383, 4471384, and 4471385	65,034,622
Balance at Northern Trust, Schroeder Intermediate, account number 4471375	200,172,942
Balance at Bank of America, Labor Lockbox	-
Balance at JP Morgan Chase, Corp Lockbox	788,595
Fidelity 2013 MMLPA	286,233
Balance at PNC Bank, Concentration, account number 5694010993	5,152,896
Balance at PNC Bank, DMR Special Services, account number 56-94003988	285,681
US Bank - Bonds #107954000	<u>821,560</u>
Subtotal	<u>1,540,220,164</u>
Deductions:	
Outstanding zero-balance accounts (ZBAs) - outstanding checks	57,395,755
Payable for bank errors	11,414
Payable to Mellon 07/98	10,069
Payable to PNC Bank miscellaneous adjustments	<u>48,480</u>
Subtotal	<u>57,465,718</u>
Balance per State Treasurer's books, adjusted December 31, 2016	<u>\$ 1,658,797,244</u>

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

Office of the State Treasurer
 Reconciliation to Accounting
 December 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variance Bank to Ledger	Variance FSF/DFMS to Ledger			
██████████ Citizens		(695,302.66)		Outstanding Deposits-FY 2017 2,135,295.12 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	0.00		2,135,295.12 0.00 0.00 0.00 79.84 170,974.82 0.00 0.00 0.00 0.00 0.00		
Offset Adjustment		0.00	0.00						
	1,434,363.20	(695,302.66)	2,129,665.86		155,247.43	1,974,418.43			
██████████ PNC Payroll		499,543.77		Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09) (2,633.21) Bank Errors(bank)/Cks Cleared(pw-Book)(FY10-FY17) (3,169.45) Direct Deposit Receivable (old-FY09) 40,120.04 Direct Deposit Receivable (FY10-17) 190,389.77 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) 23,047.86 Need JV-Handwritten checks(8/11-9/11,1/12,3/12) 93,997.41 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) (21,892.88) Group Life/Dental 7,813.40 PHRST unidentified variance (FY02-FY10) 334,994.90 PHRST unidentified varainace (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) (4,228.18)			6,539.89 (1,093.94) (9,167.08) (10,788.17) 0.00 152,922.88 19,839.02 (51,880.37) 23,047.86 93,997.41 (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) (21,892.88) 7,813.40 334,994.90 25,963.29 (138,674.97) 73,821.98 246,452.56 14,812.44 (4,228.18)		(9,173.10) (2,075.51) 49,287.12 201,177.94 0.00 152,922.88 19,839.02 (51,880.37) 23,047.86 93,997.41 (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) (21,892.88) 7,813.40 334,994.90 25,963.29 (138,674.97) 73,821.98 246,452.56 14,812.44 (4,228.18)

Office of the State Treasurer
 Reconciliation to Accounting
 December 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	219,109.78	219,109.78	
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Checks Cleared Monthly Journal Entry	0.00		
Offset Adjustment		0.00	(0.00)				
	0.00	499,543.77	(499,543.77)			204,600.48	(704,144.25)
		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
		0.00					
		5,184,242.19		Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09)	10,999.62	48,705.07	(37,705.45)
				Outstanding Deposits -DNREC	0.00		0.00
				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	(706.38)		(706.38)
				JV Needed for pretax pmt	10,000.00		10,000.00
				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
 December 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variences Bank to Ledger	Variences FSF/DFMS to Ledger
				<u>Paperwork Variences with Other Bank Accounts</u>		
				Need TRV 0.00		
				Need TRV 0.00		
				Need TRV		
Offset Adjustment		0.00	0.00			
	5,152,895.86	5,184,242.19	(31,346.33)		42,177.98	(73,524.31)
		0.00		Voucher Done to wrong bank account 0.00		0.00
						0.00
BONY				<u>Paperwork Variences 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
		(24,648,681.76)		Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09) (55,178.09)	(40,759.16)	(14,418.93)
				Bank Errors(bank)/Cks Cleared(pw-Book)(FY10-FY17) 3,816.83	9,137.99	(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) 813,697.47		813,697.47
				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 136,082.51		136,082.51
				Outstanding checks 23,732,351.77	23,732,351.77	
				<u>Paperwork Variences with Other Bank Accounts</u>		
				Checks Cleared Monthly Journal Entry 0.00		
Offset Adjustment		0.00	0.00			
	0.00	(24,648,681.76)	24,648,681.76		23,700,730.60	947,951.16
		(5,269,747.66)		ACH Pmt processed October paid Nov 5,301,689.78	5,301,689.78	
				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 171,552.20		171,552.20
				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 Variences with Other Bank Accounts</u>		
				Checks Cleared Monthly Journal Entry 0.00		
Offset Adjustment		0.00	(0.00)		0.00	
	0.00	(5,269,747.66)	5,269,747.66		5,301,689.78	(31,942.12)
		(326,152,200.70)				

Office of the State Treasurer
 Reconciliation to Accounting
 December 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	513,586.98		513,586.98
				TRV-Bond Pmt-	0.00		0.00
				Need Manual Pmt-	0.00		0.00
				PW done twice-	0.00		0.00
				PW Done Jan-Money Moved dec	11,447,816.19		11,447,816.19
				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	0.00		
				Need TRV bonds			
				Need TRV- ECC	488,817,813.28		
Offset Adjustment		488,817,813.28	0.00				
	174,608,435.54	162,665,612.58	11,942,822.96			0.00	11,942,822.96
██████████ Mellon-ECC ██████████		482,146,072.71		Outstanding Deposits-FY17	1,289,971.93		1,289,971.93
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV to move money from ECC to Mellon	(488,817,813.28)		
				Need TRV- Corp LxBx	5,381,768.64		
Offset Adjustment		(483,436,044.64)	(0.00)				
	0.00	(1,289,971.93)	1,289,971.93			0.00	1,289,971.93
██████████ BONY		0.00		Interest	0.00		0.00
							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
██████████ BONY		0.00		Interest	0.00		0.00
				Misc Transfer Adjustment	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
██████████ BONY		0.00		Interest	0.00		0.00
				Misc Transfer Adjustment	0.00		0.00
				<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
██████████ ██████████		0.00		Interest	0.00		0.00

Office of the State Treasurer
 Reconciliation to Accounting
 December 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				
	0.00	0.00	0.00			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
BONY				Interest	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				TRV-Correction	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
BONY				Interest	0.00		0.00
				<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				
	0.00	0.00	0.00			0.00	0.00
BONY				Interest	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				need trv	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
BONY				Interest	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV-Bud Reserve	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
BONY		(221,085,000.00)		Interest	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV-Bud Reserve	221,085,000.00		
Offset Adjustment		221,085,000.00	0.00				
	0.00	0.00	0.00			0.00	0.00
BONY		221,085,000.00		Interest	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV-Bud Reserve	(221,085,000.00)		
Offset Adjustment		(221,085,000.00)	0.00				
	0.00	0.00	0.00			0.00	0.00

Office of the State Treasurer
 Reconciliation to Accounting
 December 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		0.00		Interest 0.00 Bonds-July 2013 0.00 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Correction		0.00 0.00
Offset Adjustment		0.00	0.00			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ 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		0.00		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			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ BONY		0.00		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			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ BONY		0.00		Interest 0.00 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Mellon 0.00 Need TRV-Cutwater 0.00		0.00 0.00
Offset Adjustment		0.00	0.00			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ BONY		(665.91)		Interest 665.91 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Bud Reserve 0.00		665.91 0.00
Offset Adjustment		0.00	0.00			
	0.00	(665.91)	665.91		0.00	665.91
██████████ ██████████ BONY		0.00		Interest 0.00 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-schroders 0.00		0.00 0.00
Offset Adjustment		0.00	0.00			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ BONY		0.00		Interest 0.00 Bond TRV 0.00 <u>Paperwork Variances with Other Bank Accounts</u> Need TRV-Bud Reserve 0.00		0.00 0.00 0.00

Office of the State Treasurer
 Reconciliation to Accounting
 December 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			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ BONY		0.00		Interest 0.00 Need Correction 0.00 <i>Paperwork Variances with Other Bank Accounts</i> Need Correction 0.00		0.00 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 <i>Paperwork Variances with Other Bank Accounts</i> Daily TRV needs correction done to wrong Account 0.00		0.00 0.00 0.00
Offset Adjustment		0.00	0.00			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ JPMorgan		6,170,363.73		Outstanding Deposits 0.00 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV from Lockbxs 0.00 TRV-ECC (5,381,768.64)		0.00 0.00 0.00
Offset Adjustment		(5,381,768.64)	0.00			
	788,595.09	788,595.09	0.00		0.00	0.00
██████████ ██████████ PNC-CC		(9,231.06)		Outstanding Deposits 9,231.06 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-Daily Wire Need TRV-Deposit		9,231.06 0.00 0.00
Offset Adjustment		0.00	0.00			
	0.00	(9,231.06)	9,231.06		0.00	9,231.06
██████████ ██████████ PNC DMR		15,577.93		NEED TRV FOR Correction-1/2005 0.00 (94.00) NEED TRV FOR ACTIVITY-12/15 0.03 NEED TRV FOR ACTIVITY-6/16 (9,302.15) NEED TRV FOR ACTIVITY-7/16 (3,605.53) NEED TRV FOR ACTIVITY-8/16 4,100.40 NEED TRV FOR ACTIVITY-9/16 273,495.04 NEED TRV FOR ACTIVITY-10/16 (275,276.84) NEED TRV FOR ACTIVITY-11/16 (1,748.20) NEED TRV FOR ACTIVITY-12/16 282,534.61 <i>Paperwork Variances with Other Bank Accounts</i>		0.00 (94.00) 0.03 (9,302.15) (3,605.53) 4,100.40 273,495.04 (275,276.84) (1,748.20) 282,534.61 0.00
Offset Adjustment		0.00	0.00			
	285,681.29	15,577.93	270,103.36		0.00	270,103.36
██████████ ██████████ PNC Abandoned		(21,241,972.63)		Bank Errors(bank)/Cks Cleared(pw-Book)(FY17) (32.67) Cancelled Checks 0.00 Forgery Credits 0.00	(32.67)	0.00 0.00 0.00

Office of the State Treasurer
 Reconciliation to Accounting
 December 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
Property				Stale Dated Checks(FY17)	2,204,248.64		2,204,248.64
				Outstanding Checks	19,037,756.66	19,037,756.66	
				<i>Paperwork Variances with Other Bank Accounts</i>			
Offset Adjustment		0.00	0.00				
	0.00	(21,241,972.63)	21,241,972.63			19,037,723.99	2,204,248.64
██████████		(391,035.46)		Direct Deposit Receivable (old-FY09)	(7,542.19)	(3,644.68)	(3,897.51)
██████████				Direct Deposit Receivable (FY10-FY17)	21,348.67	(40,572.63)	61,921.30
PNC				Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09)	2,744.61	(5,130.17)	7,874.78
PENSION				Bank Errors(bank)/Cks Cleared(pw-Book)(FY10-FY12)	11,336.47	7.08	11,329.39
				Federal and State Tax Adjustments	(23,240.80)		(23,240.80)
				Disbursement Adjustment	(5,888.14)		(5,888.14)
				TRV Needed for Federal Tax Pymt	0.00		0.00
				Deferred Comp Adjustment	982.58		982.58
				Cancelled Checks (old to FY09)	14,578.19		14,578.19
				Cancelled Checks (FY11/12/14)	4,814.70		4,814.70
				Stale Dated Checks(old-FY09)	(1,228.63)		(1,228.63)
				Stale Dated Checks(FY10-FY17)	226.76		226.76
				Need JV Check Write	(5,798.93)		(5,798.93)
				Need JV Blue Cross Blue Shield	6,254.13		6,254.13
				Misc Adjustments	(35,878.47)		(35,878.47)
				Outstanding Checks	408,326.51	408,326.51	
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-Tax JV			
Offset Adjustment		0.00	0.00				
	0.00	(391,035.46)	391,035.46			358,986.11	32,049.35
██████████		(8,973,987.21)		Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09)	327,224.92	(13,510.69)	340,735.61
██████████				Bank Errors(bank)/Cks Cleared(pw-Book)(FY10-FY17)	(214,502.69)	(2,085.96)	(212,416.73)
PNC				Cancelled Checks (old to FY09)	217.09		217.09
REVENUE				Cancelled Checks (FY17)	230,168.76		230,168.76
				Misc Disbursements	(7,898.62)		(7,898.62)
				Forgery Credits (old to FY09)	(19,205.60)		(19,205.60)
				Forgery Credits (FY10-FY16)	(2,416.31)		(2,416.31)
				Stale Dated Checks(old to FY09)	72,769.82		72,769.82
				Stale Dated Checks(FY16/17)	103,498.90		103,498.90
				Need JV Monthly check write	0.00		0.00
				Misc Adjustments	5,500.04		5,500.04
				Outstanding Checks	8,478,630.90	8,478,630.90	
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Checks Cleared Monthly Journal Entry			
Offset Adjustment		0.00	0.00				
	0.00	(8,973,987.21)	8,973,987.21			8,463,034.25	510,952.96
██████████		530,679.12		Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09)	8,104.06	(4,395.34)	12,499.40
██████████				Bank Errors(bank)/Cks Cleared(pw-Book)(FY10-FY16)	3,256.00	338.02	2,917.98
PNC				Cancelled Checks (old to FY09)	11,841.00		11,841.00
				Cancelled Checks (FY10-FY11)	10,505.00		10,505.00
				Misc Adjustments	(170.23)		(170.23)

Office of the State Treasurer
 Reconciliation to Accounting
 December 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
WELFARE				Stale Dated Checks(old to FY09)	55,590.00		55,590.00
				Stale Dated Checks(FY10-FY11)	75,931.00		75,931.00
				Stale Dated Checks(FY12-FY17)	530,770.00		530,770.00
				Need JV-Monthly Check Write	(1,461,280.00)		(1,461,280.00)
				Need JV-Stimulus Check Write	0.00		0.00
				Forgery Credits (old to FY09)	(136.00)		(136.00)
				Forgery Credits (FY10-FY17)	17,020.00		17,020.00
				Outstanding Checks	217,890.05	217,890.05	
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Checks Cleared Monthly Journal Entry	0.00		
Offset Adjustment		0.00	0.00				
	0.00	530,679.12	(530,679.12)			213,832.73	(744,511.85)
██████████		(983.06)		Interest-Need Cash Receipt	983.06		983.06
Fidelity BONDS				Wire In-Need Cash Receipt	0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-Mellon			
Offset Adjustment		0.00	0.00				
	0.00	(983.06)	983.06			0.00	983.06
██████████		(564.57)		Interest-Need Cash Receipt	564.57		564.57
Fidelity BONDS				Need Cash Receipt	0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				need TRV	0.00		
Offset Adjustment		0.00	0.00				
	0.00	(564.57)	564.57			0.00	564.57
██████████		777,944.32		Interest-Need Cash Receipt	223.61		223.61
Fidelity BONDS				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
Offset Adjustment		0.00	(0.00)				
	778,167.93	777,944.32	223.61			0.00	223.61
██████████		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				
	0.00	0.00	0.00			0.00	0.00
██████████		284,859.27		Interest-Need Cash Receipt	81.88		81.88
Fidelity Bell Lease				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
Offset Adjustment		0.00	(0.00)				
	284,941.15	284,859.27	81.88			0.00	81.88

Office of the State Treasurer
 Reconciliation to Accounting
 December 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variance Bank to Ledger	Variance FSF/DFMS to Ledger
██████████ Fidelity Trane Lease		1,291.07		Interest-Need Cash Receipt 0.37		0.37
				<i>Paperwork Variances with Other Bank Accounts</i>		0.00
Offset Adjustment		0.00	(0.00)	Need TRV 0.00		
	1,291.44	1,291.07	0.37		0.00	0.37
██████████ Fidelity BONDS		0.00		Interest-Need Cash Receipt 0.00		0.00
				<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
██████████ BONDS		811,510.00		Interest- Need Cash Receipt 10,049.72		10,049.72
				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	Need Correction PW done to wrong acct 0.00		
	821,559.72	811,510.00	10,049.72		0.00	10,049.72
██████████ Northern Trust		103,435,103.53		Interest 210,253.59		210,253.59
				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	(0.00)	TRV-Federated Inter 0.00		
	103,645,357.12	103,435,103.53	210,253.59		0.00	210,253.59
██████████ Northern Trust		156,889,319.56			135,754.73	135,754.73
				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	TRV-PFM Liquidity 0.00		
	157,025,074.29	156,889,319.56	135,754.73		0.00	135,754.73
██████████ Northern Trust		158,359,207.69		Interest 86,577.56		86,577.56
				<i>Paperwork Variances with Other Bank Accounts</i>		0.00
Offset Adjustment		0.00	(0.00)	TRV-Correction 0.00		
	158,445,785.25	158,359,207.69	86,577.56		0.00	86,577.56
██████████ Northern Trust		145,864,649.03		Interest 78,577.28		78,577.28
				<i>Paperwork Variances with Other Bank Accounts</i>		0.00
Offset Adjustment		0.00	(0.00)	TRV-Chandler 0.00 TRV-Morgan Stanley 0.00		
	145,943,226.31	145,864,649.03	78,577.28		0.00	78,577.28
██████████ Northern Trust		20,988,777.73		Interest 67,729.82		67,729.82
				<i>Paperwork Variances with Other Bank Accounts</i>		0.00
Offset Adjustment		0.00	(0.00)	Need TRV-Bud Reserve 0.00		

Office of the State Treasurer
 Reconciliation to Accounting
 December 2016

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
	21,056,507.55	20,988,777.73	67,729.82			0.00	67,729.82
██████████ Northern Trust		227,820,360.10		Interest	42,658.51		42,658.51
					0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-Bud Reserve	(221,085,000.00)		
Offset Adjustment		(221,085,000.00)	(0.00)				
	6,778,018.61	6,735,360.10	42,658.51			0.00	42,658.51
██████████ Northern Trust		0.00		Interest	0.00		0.00
							0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-Bud Reserve	221,085,000.00		
Offset Adjustment		221,085,000.00	0.00				
	221,085,000.00	221,085,000.00	0.00			0.00	0.00
██████████ Northern Trust		157,994,903.58		Interest	120,521.44		120,521.44
				Bonds-July 2013	0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-Correction			
Offset Adjustment		0.00	0.00				
	158,115,425.02	157,994,903.58	120,521.44			0.00	120,521.44
██████████ Northern Trust		20,021,903.22		Interest	227,234.88		227,234.88
							0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-Federated Inter	0.00		
Offset Adjustment		0.00	(0.00)				
	20,249,138.10	20,021,903.22	227,234.88			0.00	227,234.88
██████████ Northern Trust		156,102,735.01		Interest	(53,793.82)		(53,793.82)
							0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-Federated Inter	0.00		
Offset Adjustment		0.00	(0.00)				
	156,048,941.19	156,102,735.01	(53,793.82)			0.00	(53,793.82)
██████████ Northern Trust		159,772,568.83		Interest	52,375.49		52,375.49
							0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-Mellon	0.00		
				Need TRV-Cutwater	0.00		
Offset Adjustment		0.00	0.00				
	159,824,944.32	159,772,568.83	52,375.49			0.00	52,375.49
██████████ Northern Trust		3,009,700.24		Interest	647.50		647.50
							0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-Bud Reserve	0.00		
Offset Adjustment		0.00	0.00				
	3,010,347.74	3,009,700.24	647.50			0.00	647.50
██████████ Northern Trust		200,033,314.04		Interest	139,627.93		139,627.93
							0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			
				Need TRV-schroders	0.00		

Office of the State Treasurer
 Reconciliation to Accounting
 December 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)			
	200,172,941.97	200,033,314.04	139,627.93		0.00	139,627.93
██████████ ██████████ Northern Trust		20,643,987.29		Interest 74,641.02 Bond TRV 0.00 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-Bud Reserve 0.00		74,641.02 0.00 0.00
Offset Adjustment		0.00	0.00			
	20,718,628.31	20,643,987.29	74,641.02		0.00	74,641.02
Grand Total	1,716,275,267.00	1,639,974,241.28	76,301,025.72	76,301,025.72	57,478,023.35	18,823,002.37

General Ledger 1,658,797,243.65

Exhibit C

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

Proof of Cash Reconciliation

Quarter ended December 31, 2016

Balance per State Treasurer's books, September 30, 2016	\$ 1,687,068,485
Additions:	
Deposits to Cash Receipts Journal	2,199,528,098
Transportation Trust Fund Deposits	164,081,320
Receivables for Bank Errors	2,894
Receivables for CM Forgery Credits	10,550
Outstanding Cash Receipts	(4,418,762)
Division of Mental Retardation Transfer	5,510
Outstanding Checks Prior Month	247,298,666
Subtotal	<u>2,606,508,276</u>
Deductions:	
Transfer for Principal and Interest Bonds	63,265,000
Transfer from Mellon for Direct Deposit for Payroll and Pensions	457,626,607
Transfer from Mellon to Mercantile for Pensions	50,143,875
Transfer from Mellon -TTF	3,767,331
Transfer from Mellon - OMB-BOA	486,547
Transfer from Mellon - Aspira	368,842
Transfer from Mellon - DTCC Vendor Payments	6
Transfer from Mellon - Saul Ewing	2,491,329
Transfer from Mellon - Def Comp	7,550,234
Transfer from Mellon -TSA Plan	4,393,382
Transfer from Mellon -DNREC-Tunnell & Raysor	183,300
Transfer from Mellon - IFTA	16,400
Transfer from Mellon - DOS	3,047
Transfer from Mellon Medicaid	303,622,361
Transfer from Mellon Supercard	31,262,685
Transfer from Mellon SSI	246,000
Transfer from PNC for PNC Bank Fees SPO	310
Transfer from PNC for Bonds	8,582,050
Transfer from PNC - ACA Trans. Reinsurance Program	1,072,625
Transfer for Fed Tx, FICA, & Medicare	163,297,496
Transfer for Child Support-Payroll Vendor	679,050
ACH Transfers	1,070,766,697
Transfer for Cleared ZBAs	246,232,587
Transfer for Outstanding ZBAs	218,721,757
Subtotal	<u>2,634,779,517</u>
Balance per State Treasurer's books, adjusted December 31, 2016	<u>\$ 1,658,797,244</u>