

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

AGREED-UPON PROCEDURES

QUARTER ENDED JUNE 30, 2017

STATE OF DELAWARE
OFFICE OF THE STATE TREASURER
BANK RECONCILIATIONS

QUARTER ENDED JUNE 30, 2017

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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 June 30, 2017. 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 June 30, 2017 as detailed below.

FSF Balance Sheet Account to Daily Validity Report Reconciliation - Cash and Investments
June 30, 2017

Combined Cash Balance as of June 30, 2017 per DGL046 \$2,188,130,258

Less Encumbrances and Remaining Spending Authority per DGL060:

	Encumbered	Remaining Spending Authority	Total	
NSF-20 (Nonappropriated Special Funds)	\$ 72,922,642	\$ 970,865,161	\$ 1,043,787,803	
Remaining balance left to satisfy other fund types				1,144,342,455
ASF HOLD-30 (Appropriated Special Funds)	57,633,524	370,066,916	427,700,440	
Remaining balance left to satisfy other fund types				716,642,015
GF-03 (General Fund - prior year continuing)	9,719,777	12,077,921	21,797,698	
GF-04 (General Fund - prior year encumbrance balance)	4,633	54,100	58,733	
Remaining balance left to satisfy other fund types				694,785,584
GF-01 (General Fund - regular appropriations)	67,347,688	83,029,437	150,377,125	
GF-02 (General Fund - supplemental appropriations)	269,922	6,116,030	6,385,952	
Cash and Investments at the Office of the State Treasurer as of June 30, 2017 in excess (deficit) of all fund balances				\$ 538,022,507

3. Determined the bank account balances held by the Office of the State Treasurer are sufficient to support the use of the fund types listed at procedure #2 at June 30, 2017.

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4. Obtained the Office of the State Treasurer's reconciliation of bank balances to FSF as of June 30, 2017 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 \$4,102,000, 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 \$4,102,000 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 \$4,102,000 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 June 30, 2017 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 \$4,102,000 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 June 30, 2017	04/04/17	\$ 883,668.18
	05/08/17	\$ 12,793,876.31
	05/16/17	\$ 922,972.05
	06/13/17	\$ 2,778,038.02
	06/20/17	\$ 11,177.00

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14. Obtained the Office of the State Treasurer's General Account Cash Reconciliation as of June 30, 2017, 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

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania
October 4, 2017

Exhibit A

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

General Account Cash Reconciliation

Quarter ended June 30, 2017

Balance per Citizens Bank	\$ 1,268,411
Balance per Mellon Bank	261,297,113
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Bank balance at June 30, 2017	262,565,524
Additions:	
Investments managed by Northern Trust, account number DOST01	246,236,663
Investments managed by Northern Trust, account number 4471371	246,871,749
Receivables from various sources	108,537
Deposits in transit	(173,255)
Balance at Northern Trust-JPMorgan, account number 4471381	246,231,176
Balance at Northern Trust, account number 4471378 and 4471376	349,684,619
Balance at Northern Trust, account number 4471379, 4471380, and 4471377	551,267,022
Fidelity Governmental Bonds Arbitrage Rebate	780,320
Fidelity Government Obligation Bonds 2017A	80,074,325
Balance at Northern Trust, account number 4471382, 4471383, 4471384, and 4471385	62,375,674
Balance at Northern Trust, Schroeder Intermediate, account number 4471375	200,986,995
Balance at JP Morgan Chase, Corp Lockbox	871,473
Fidelity 2013 MMLPA	287,024
Balance at PNC Bank, Concentration, account number 5694010993	5,132,576
Balance at PNC Bank, DMR Special Services, account number 56-94003988	296,535
US Bank - Bonds #107954000	832,723
	<hr/>
Subtotal	1,991,864,156
Deductions:	
Outstanding zero-balance accounts (ZBAs) - outstanding checks	69,723,534
Payable for bank errors	11,604
Payable to Mellon 07/98	10,069
Payable to PNC Bank miscellaneous adjustments	48,480
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Subtotal	69,793,687
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Balance per State Treasurer's books, adjusted June 30, 2017	\$ 2,184,635,993
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Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variations Bank to Ledger	Variations FSF/DFMS to Ledger
		1,274,040.41		Outstanding Deposits-FY 2017 0.00		0.00
				Bank Error 0.00		0.00
				CWA 0.00	0.00	
				Outstanding Deposits (prior FY10) (11.09)		(11.09)
				Over/Short (FY2010) 79.84	79.84	
				Deposits in Transit (old to FY2009) 86,395.29	170,974.82	(84,579.53)
				CRs done to wrong bank code (old to FY2009) (39,017.79)		(39,017.79)
				MW/JV needed (prior FY2010) (35,156.98)		(35,156.98)
				Need JV's (2,111.30)		(2,111.30)
				Open Receivables (old to FY 2009) (15,807.23)	(15,807.23)	
				Voucher Done to wrong bank account 0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>		
				NEED TRV 0.00		
				NEED TRV 0.00		
Offset Adjustment		0.00	0.00			
	1,268,411.15	1,274,040.41	(5,629.26)		155,247.43	(160,876.69)
		522,904.65		Bank Errors(bank)/Cks Cleared(pw-Book)(old-FY09) (2,633.21)	6,539.89	(9,173.10)
PNC				Bank Errors(bank)/Cks Cleared(pw-Book)(FY10-FY17) (2,075.50)	0.00	(2,075.50)
Payroll				Direct Deposit Receivable (old-FY09) 40,120.04	(9,167.08)	49,287.12
				Direct Deposit Receivable (FY10-17) 218,744.67	0.00	218,744.67
				Forgery credit-need JE 0.00		0.00
				Cancelled Checks(old-FY09) 152,922.88		152,922.88
				Cancelled Checks(FY10-FY13,17) 27,644.30		27,644.30
				Stale Dated Checks(old-FY09) (51,880.37)		(51,880.37)
				Stale Dated Checks(FY16/17) 24,149.06		24,149.06
				Need JV-Handwritten checks(8/11-9/11,1/12,3/12) 93,997.41		93,997.41
				Pay Cycle Adjustments(old to FY01) (263,195.03)		(263,195.03)
				Pay Cycle Adjustments(PHRST)(FY02) (302,190.38)		(302,190.38)
				Pay Cycle Adjustments(PHRST)(FY03) (267,632.16)		(267,632.16)
				Pay Cycle Adjustments(PHRST)(FY04) 94,358.85		94,358.85
				Pay Cycle Adjustments(PHRST)(FY05) (143,665.93)		(143,665.93)
				Pay Cycle Adjustments(PHRST)(FY06) (277,530.56)		(277,530.56)
				Pay Cycle Adjustments(PHRST)(FY07) (125,053.38)		(125,053.38)
				Pay Cycle Adjustments(PHRST)(FY08) (24,346.64)		(24,346.64)
				Pay Cycle Adjustments(PHRST)(FY09) (29,288.06)		(29,288.06)
				Pay Cycle Adjustments(PHRST)(FY10) (116,153.70)		(116,153.70)
				Pay Cycle Adjustments(PHRST)(FY11) (17,449.96)		(17,449.96)
				Pay Cycle Adjustments(PHRST)(FY12) (79,197.08)		(79,197.08)
				Pay Cycle Adjustments(PHRST)(FY13) (73,428.25)		(73,428.25)
				Pay Cycle Adjustments(PHRST)(FY14) (6,119.15)		(6,119.15)
				Pay Cycle Adjustments(PHRST)(FY15) (40,602.64)		(40,602.64)
				Pay Cycle Adjustments(PHRST)(FY16) (18,991.63)		(18,991.63)
				Pay Cycle Adjustments(PHRST)(FY17) (59,878.43)		(59,878.43)
				Group Life/Dental 7,813.40		7,813.40
				PHRST unidentified variance (FY02-FY10) 334,994.90		334,994.90
				PHRST unidentified variance (FY11) 25,963.29		25,963.29
				Tax Adjustment CY2012 (138,674.97)		(138,674.97)
				Vendor Refund Variances 73,821.98		73,821.98
				Tax Adjustments 246,452.56		246,452.56
				Personal Reimbursements 14,812.44		14,812.44
				Personal Reimbursements(Need JV-FY13-FY17) (3,862.06)		(3,862.06)

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

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	195,013.00	195,013.00	
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Checks Cleared Monthly Journal Entry	0.00		
Offset Adjustment		0.00	0.00				
	0.00	522,904.65	(522,904.65)			192,385.81	(715,290.46)
		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					
		5,173,422.17		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	(205.80)		(205.80)
				JV Needed for pretax pmt	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		0.00

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

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	0.00		
				Need TRV	0.00		
				Need TRV	0.00		
Offset Adjustment		0.00	0.00				
	5,132,576.42	5,173,422.17	(40,845.75)			42,177.98	(83,023.73)
		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
		(44,701,558.89)		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)	3,835.83	9,156.99	(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	5,742.36		5,742.36
				Stale Dated Checks(old-FY09)	10,167.31		10,167.31
				Stale Dated Checks(FY10-FY17)	321,384.54		321,384.54
				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	44,277,332.83	44,277,332.83	
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Checks Cleared Monthly Journal Entry	0.00		
Offset Adjustment		0.00	0.00				
	0.00	(44,701,558.89)	44,701,558.89			44,245,730.66	455,828.23
		203,103.22		ACH Pmt processed June paid July	0.00	0.00	
				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	391.10		391.10
				Reversal Vouchers-FY11	13,404.56		13,404.56
				Need TRV-June 13	90.00		90.00
				Wire Service Fees	(30.00)		(30.00)
							0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Checks Cleared Monthly Journal Entry			
Offset Adjustment		0.00	(0.00)			0.00	
	0.00	203,103.22	(203,103.22)			0.00	(203,103.22)

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
██████████ BONY				<i>Paperwork Variances with Other Bank Accounts</i>			
				TRV-Northern Trust	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
██████████ BONY		0.00		<i>Paperwork Variances with Other Bank Accounts</i>	0.00		0.00
				TRV-PFM Liquidity	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
				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
				TRV-Correction	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
				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
				TRV-Northern Trust	0.00		
				TRV-Morgan Stanley	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
				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
				need 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
				<i>Paperwork Variances with Other Bank Accounts</i>	0.00		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		0.00		Interest	0.00		0.00
				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
				TRV-Northern Trust	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
				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
				Need TRV-Bud Reserve	0.00		
Offset Adjustment		0.00	0.00				

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
	0.00	0.00	0.00			0.00	0.00
██████████ ██████████ BONY		0.00		Interest	0.00		0.00
				Bonds-July 2013	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV-Correction	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
				<u>Paperwork Variances with Other Bank Accounts</u>			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
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV-Federated Inter	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
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV- Northern Trust	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
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV-Mellon	0.00		
				Need TRV-Cutwater	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
				<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		0.00		Interest	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00
				Need TRV- Northern Trust	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
				Bond TRV	0.00		0.00
				<u>Paperwork Variances with Other Bank Accounts</u>			0.00

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variance Bank to Ledger	Variance FSF/DFMS to Ledger
				Need TRV-Bud Reserve 0.00		
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		0.00 0.00 0.00
				<u>Paperwork Variances with Other Bank Accounts</u> Need Correction 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 0.00 0.00
				<u>Paperwork Variances with Other Bank Accounts</u> Daily TRV needs correction done to wrong Account 0.00		
Offset Adjustment		0.00	0.00			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ JPMorgan		871,472.66		Outstanding Deposits 0.00		0.00 0.00 0.00
				<u>Paperwork Variances with Other Bank Accounts</u> Need TRV from Lockbxs 0.00 TRV-ECC 0.00		
Offset Adjustment		0.00	0.00			
	871,472.66	871,472.66	0.00		0.00	0.00
██████████ ██████████ PNC-CC		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 Need TRV-Daily Wire 0.00		
Offset Adjustment		0.00	0.00			
	0.00	0.00	0.00		0.00	0.00
██████████ ██████████ PNC DMR		11,111.21		NEED TRV FOR Correction-1/2005 0.00 NEED TRV FOR ACTIVITY-12/15 (94.00) NEED TRV FOR ACTIVITY-12/15 0.03 NEED TRV FOR ACTIVITY-6/17 285,517.49 NEED TRV FOR ACTIVITY-3/17 0.00 NEED TRV FOR ACTIVITY-4/17 0.00		0.00 (94.00) 0.03 285,517.49 0.00 0.00 0.00
				<u>Paperwork Variances with Other Bank Accounts</u>		
Offset Adjustment		0.00	0.00			
	296,534.73	11,111.21	285,423.52		0.00	285,423.52
██████████ ██████████ PNC Abandoned Property		(9,424,290.56)		Bank Errors(bank)/Cks Cleared(pw-Book)(FY17) 1,374.82 Cancelled Checks 0.00 Forgery Credits 0.00 Stale Dated Checks(FY17) 1,004,737.96 Outstanding Checks 8,418,177.78	65.00	1,309.82 0.00 0.00 1,004,737.96 8,418,177.78

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
				<u>Paperwork Variances with Other Bank Accounts</u>			
Offset Adjustment		0.00	0.00				
	0.00	(9,424,290.56)	9,424,290.56			8,418,242.78	1,006,047.78
██████████		(6,845,292.70)		Direct Deposit Receivable (old-FY09)	(7,542.19)	(3,644.68)	(3,897.51)
██████████				Direct Deposit Receivable (FY10-FY17)	(24,211.11)	0.00	(24,211.11)
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	(23,008.67)		(23,008.67)
				Disbursement Adjustment	(5,888.14)		(5,888.14)
				TRV Needed for Federal Tax Pymt	5,713,350.01		5,713,350.01
				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)	(1,503.22)		(1,503.22)
				Need JV Check Write	(5,798.93)		(5,798.93)
				Need JV Blue Cross Blue Shield	6,254.13		6,254.13
				Misc Adjustments	(7,709.90)		(7,709.90)
				Outstanding Checks	1,168,122.80	1,168,122.80	
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV-Tax JV			
Offset Adjustment		0.00	0.00				
	0.00	(6,845,292.70)	6,845,292.70			1,159,355.03	5,685,937.67
██████████		(16,261,563.52)		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)	244,887.67	(2,132.79)	247,020.46
PNC				Cancelled Checks (old to FY09)	217.09		217.09
REVENUE				Cancelled Checks (FY17)	33,420.12		33,420.12
				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)	129,915.62		129,915.62
				Need JV Monthly check write	0.00		0.00
				Misc Adjustments	5,500.04		5,500.04
				Outstanding Checks	15,477,148.77	15,477,148.77	
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Checks Cleared Monthly Journal Entry		0.00	
Offset Adjustment		0.00	0.00				
	0.00	(16,261,563.52)	16,261,563.52			15,461,505.29	800,058.23
██████████		(504,139.79)		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)	3,413.99	417.02	2,996.97
PNC				Cancelled Checks (old to FY09)	11,841.00		11,841.00
WELFARE				Cancelled Checks (FY10-FY11)	10,505.00		10,505.00
				Misc Adjustments	(170.23)		(170.23)
				Stale Dated Checks(old to FY09)	55,590.00		55,590.00
				Stale Dated Checks(FY10-FY11)	75,931.00		75,931.00

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
				Stale Dated Checks(FY12-FY17)	133,545.97		133,545.97
				Need JV-Monthly Check Write	0.00		0.00
				Need JV-Stimulus Check Write	0.00		0.00
				Forgery Credits (old to FY09)	(136.00)		(136.00)
				Forgery Credits (FY10-FY17)	17,776.00		17,776.00
				Outstanding Checks	187,739.00	187,739.00	
				<u>Paperwork Variances with Other Bank Accounts</u>			
				Checks Cleared Monthly Journal Entry	0.00		
Offset Adjustment		0.00	0.00				
	0.00	(504,139.79)	504,139.79			183,760.68	320,379.11
		0.00		Interest-Need Cash Receipt	0.00		0.00
				Wire In-Need Cash Receipt	0.00		0.00
Fidelity BONDS				<u>Paperwork Variances with Other Bank Accounts</u>			
				Need TRV-Mellon			
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
		0.00		Interest-Need Cash Receipt	0.00		0.00
				Need Cash Receipt	0.00		0.00
Fidelity BONDS				<u>Paperwork Variances with Other Bank Accounts</u>			
				need TRV	0.00		
Offset Adjustment		0.00	0.00				
	0.00	0.00	0.00			0.00	0.00
		779,844.76		Interest-Need Cash Receipt	475.06		475.06
Fidelity BONDS				<u>Paperwork Variances with Other Bank Accounts</u>			
Offset Adjustment		0.00	0.00				
	780,319.82	779,844.76	475.06			0.00	475.06
		80,017,132.22		Interest-Need Cash Receipt	57,192.51		57,192.51
Fidelity BONDS				<u>Paperwork Variances with Other Bank Accounts</u>			
Offset Adjustment		0.00	(0.00)				
	80,074,324.73	80,017,132.22	57,192.51			0.00	57,192.51
		285,555.15		Interest-Need Cash Receipt	173.95		173.95
Fidelity Bell Lease				<u>Paperwork Variances with Other Bank Accounts</u>			
Offset Adjustment		0.00	0.00				
	285,729.10	285,555.15	173.95			0.00	173.95
		1,294.21		Interest-Need Cash Receipt	0.79		0.79
							0.00

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

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				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	Need TRV	0.00	
	1,295.00	1,294.21	0.79		0.00	0.79
		0.00		Interest-Need Cash Receipt	0.00	0.00
Fidelity BONDS				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	Need TRV Bond PW	0.00	
	0.00	0.00	0.00		0.00	0.00
		821,559.72		Interest- Need Cash Receipt	11,163.38	11,163.38
BONDS				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	Need Correction PW done to wrong acct	0.00	
	832,723.10	821,559.72	11,163.38		0.00	11,163.38
		104,274,550.16		Interest	114,795.31	114,795.31
Northern Trust				Stmnt Adj-0817	(0.64)	(0.64)
				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	(0.00)	TRV-BNYMellon	0.00	
	104,389,344.83	104,274,550.16	114,794.67		0.00	114,794.67
		245,178,543.72		Interest	113,859.69	113,859.69
Northern Trust				Stmnt Adj-0817	2,870.49	2,870.49
				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	(0.00)	TRV-PFM Liquidity		
	245,295,273.90	245,178,543.72	116,730.18		0.00	116,730.18
		246,744,126.15		Interest	127,623.27	127,623.27
Northern Trust				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	TRV-Correction	0.00	0.00
	246,871,749.42	246,744,126.15	127,623.27		0.00	127,623.27
		146,451,473.28		Interest	97,436.02	97,436.02
Northern Trust				Stmnt Adj-0817	4,003.90	4,003.90
				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	TRV-BNYMellon	0.00	
	146,552,913.20	146,451,473.28	101,439.92	TRV-Morgan Stanley	0.00	
		21,083,288.41		Interest	0.00	0.00
Northern Trust				<i>Paperwork Variances with Other Bank Accounts</i>		
Offset Adjustment		0.00	0.00	Need TRV-	0.00	0.00
	21,083,288.41	21,083,288.41	0.00		0.00	0.00
11029		24,865,168.73		Interest	274,200.63	274,200.63

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments	Variance Bank to Ledger	Variance FSF/DFMS to Ledger
██████████ Northern Trust				Stmnt Adj-0817 6,807.27 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-BNYMellon 0.00		6,807.27
Offset Adjustment		0.00	0.00			
	25,146,176.63	24,865,168.73	281,007.90		0.00	281,007.90
██████████ Northern Trust		221,085,000.00		Interest 0.00 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-Bud Reserve 0.00		0.00
Offset Adjustment		0.00	0.00			
	221,085,000.00	221,085,000.00	0.00		0.00	0.00
██████████ Northern Trust		246,070,407.60		Interest 181,086.99 need cr-dtcc 0.00 Stmnt Adj - 0917 (14,830.77) <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-Correction 0.00		181,086.99
Offset Adjustment		0.00	0.00			
	246,236,663.82	246,070,407.60	166,256.22		0.00	166,256.22
██████████ Northern Trust		20,064,323.70		Interest 428.16 Stmnt Adj-0817 0.00 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-Federated Inter 0.00		428.16
Offset Adjustment		0.00	(0.00)			
	20,064,751.86	20,064,323.70	428.16		0.00	428.16
██████████ Northern Trust		156,447,690.52		Interest 79,123.39 Stmnt Adj-0817 12,800.79 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-BNYMellon 0.00		79,123.39
Offset Adjustment		0.00	0.00			
	156,539,614.70	156,447,690.52	91,924.18		0.00	91,924.18
██████████ Northern Trust		248,149,200.77		Interest 25,030.82 Stmnt Adj-0817 262.33 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-Mellon 0.00 Need TRV-Cutwater 0.00		25,030.82
Offset Adjustment		0.00	0.00			
	248,174,493.92	248,149,200.77	25,293.15		0.00	25,293.15
██████████ Northern Trust		(1,171.58)		Interest 1,171.58 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-Bud Reserve 0.00		1,171.58
Offset Adjustment		0.00	0.00			
	0.00	(1,171.58)	1,171.58		0.00	1,171.58
██████████ Northern Trust		200,968,548.62		Interest 17,197.43 Stmnt Adj-0817 1,248.88 <i>Paperwork Variances with Other Bank Accounts</i> Need TRV-BNYMellon 0.00		17,197.43
Offset Adjustment		0.00	(0.00)			

Office of the State Treasurer
 Reconciliation to Accounting
 June 30, 2017

Bank Account	Bank Balance	Accounting Total (FSF-DGL046)	Total Account Variance	General Ledger Adjustments		Variance Bank to Ledger	Variance FSF/DFMS to Ledger
	200,986,994.93	200,968,548.62	18,446.31			0.00	18,446.31
██████████		21,188,416.80		Interest	20,843.36		20,843.36
██████████				Stmt Adj-0817	18,373.56		18,373.56
Northern Trust				<i>Paperwork Variances with Other Bank Accounts</i>			0.00
				Need TRV-Bud Reserve	0.00		
Offset Adjustment		0.00	0.00				
	21,227,633.72	21,188,416.80	39,216.92			0.00	39,216.92
Grand Total	2,254,494,398.77	2,188,130,258.00	66,364,140.77		66,364,140.77	69,858,405.66	(3,494,264.89)
						General Ledger	<u>2,184,635,993.11</u>

Exhibit C

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

Proof of Cash Reconciliation

Quarter ended June 30, 2017

Balance per State Treasurer's books, March 31, 2017 *	\$ 1,690,641,244
Additions:	
Deposits to Cash Receipts Journal	2,750,097,951
Deposits JE	102,777
Transportation Trust Fund Deposits	160,074,332
Receivables for Bank Errors	2,347
Receivables for CM Forgery Credits	755
Outstanding Cash Receipts	(5,707,087)
Division of Mental Retardation Transfer	(3,303)
Outstanding Checks Prior Month	<u>218,757,290</u>
Subtotal	<u>3,123,325,062</u>
Deductions:	
Transfer for Principal and Interest Bonds	760,000
Transfer from Mellon for Direct Deposit for Payroll and Pensions	459,372,266
Transfer from Mellon to Mercantile for Pensions	61,612,611
Transfer from Mellon -TTF	3,873,925
Transfer from Mellon - OMB vendor pmts	611,473
Transfer from Mellon – PNC-Providence Creek	31,850
Transfer from Mellon - Def Comp	8,367,629
Transfer from Mellon -TSA Plan	4,641,481
Transfer from Mellon -DNREC-Tunnell & Raysor	5,422,056
Transfer from Mellon -DOS	94,324
Transfer from Mellon Medicaid	510,519,232
Transfer from Mellon Supercard	33,970,871
Transfer from Mellon SSI	170,000
Transfer from PNC for PNC Bank Fees SPO	309
Transfer from PNC for Bonds	7,109,750
Transfer for Fed Tx, FICA, & Medicare	159,628,594
Transfer for Child Support-Payroll Vendor	679,094
ACH Transfers	842,622,787
Transfer for Cleared ZBAs	312,875,443
Transfer for Outstanding ZBAs	<u>216,966,618</u>
Subtotal	<u>2,629,330,313</u>
Balance per State Treasurer's books, adjusted June 30, 2017	<u>\$ 2,184,635,993</u>

* Balance at March 31, 2017 was restated to reflect a change in the valuation methodology of the Northern Trust investments from High Cost to FIFO.