COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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JOHN NAIMO
AUDITOR-CONTROLLER

October 28, 2015

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Hilda Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: John Naimo
Auditor-Controller

SUBJECT: **REPORT OF TREASURER AND TAX COLLECTOR'S CASH DIFFERENCE FUND REPLENISHMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

On October 21, 2008, your Board adopted a resolution pursuant to Section 29380.1 of the Government Code, which authorized the Auditor-Controller to replenish the Treasurer and Tax Collector's (TTC) Cash Difference Fund (Fund). The Government Code also requires the Auditor-Controller to provide your Board with an annual written report and accounting of the Fund. Attached is an accounting of the Fund for the fiscal year ended June 30, 2015.

Background

On July 5, 1966, your Board, in accordance with the provisions of Section 29370 et seq. of the Government Code, established a Fund for TTC to replenish cash shortages in the tax collection process in Petty Shy amounts. Effective July 1, 2008, in accordance with Section 2611.5 of the Revenue and Taxation Code, TTC increased the Petty Shy limit to ten dollars ($10) for all secured and unsecured tax payments from a one dollar ($1) and two dollar ($2) limit, respectively. TTC currently uses the fund to replenish small ($10 or less) cash shortages stemming from tax payments processed through the mail and unaccounted small cash shortages from the TTC's cashiering window operations.

Summary of Activity

The Fund's assigned dollar amount remained at $50,000, as authorized by your Board on October 21, 2008. During Fiscal Year 2014-15, TTC requested two replenishments totaling $56,337.06 for cash shortages incurred. The shortages were associated with the following activities:

- **Petty Shy Tax Payments –** Minor amounts of money short of the amount due in processing mail payments. Petty Shys during the period totaled $55,721.37.

- **Cashier Window Shortages** – Cash shortages, including the receipt of counterfeit currency from TTC Cashiering windows. The cashier discrepancies for the period totaled $615.69.

Our Accounting Division replenished $56,337.06 to the Fund as requested by TTC. The cash balance of the Fund as of June 30, 2015 was $50,000.00.

If you have any questions, please contact me, or your staff may contact Connie Yee at (213) 974-8321.

JN:CY:WM:mm
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Attachment

c: Sachi A. Hamai, Chief Executive Officer
Joseph Kelly, Treasurer & Tax Collector
Public Information Office
Audit Committee

Auditor-Controller
Report of Treasurer and Tax Collector Cash Difference Fund
July 1, 2014 Through June 30, 2015

Beginning Balance, July 1st			$ 50,000.00
Less Disbursements per Cash Difference Report:			
Petty Shys:	07/01/14-12/31/14	30,623.85	
	01/01/15-06/30/15	25,097.52	
			55,721.37
Shortages:	07/01/14-12/31/14	15.41	
	01/01/15-06/30/15	240.28	
			255.69
Counterfeit:	07/01/14-12/31/14	260.00	
	01/01/15-06/30/15	100.00	
			360.00
Total Disbursements			56,337.06
Plus Receipts:			
Authorized Replenishments:			
Replenishment for 07/01/14 - 12/31/14		30,899.26	
Replenishment for 01/01/15 - 06/30/15		25,437.80	
Total Receipts			56,337.06
Ending Balance, June 30th			$ 50,000.00