

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
January 23, 2018  
“*Communications Received and Filed*” Item

To: Board of Supervisors

From: Department of Finance

Subject: Agreed-Upon Procedures Report For County Clerk-Recorder's Office Social Security Number Truncation Program For The Period July 1, 2012 To June 30, 2017

Supervisory  
District(s): All

Contact: Joyce Renison, Assistant Auditor-Controller, 874-6454

---

**DISCUSSION**

Sacramento County Board of Supervisors approved by resolution number 2007-1376 on November 27, 2007 an additional one dollar (\$1.00) fee to be used solely for the implementation and ongoing operation of the Social Security Number (SSN) Truncation Program. Sacramento County Clerk-Recorder is required per California Government Code Section 27361(d)(4) to complete two reviews to verify that the funds generated by the SSN Truncation fee are used for the SSN Truncation Program. The attached agreed-upon procedures report is the completion of the second required review.

Respectively submitted,

**Ben Lamera**  
Director of Finance

Attachment

ATT 1 - Agreed-Upon Procedures Report for County Clerk-Recorder's Office Social Security Number Truncation Program for the Period July 1, 2012 to June 30, 2017

## Department of Finance

Ben Lamera  
Director

---

**County of Sacramento**

---

November 29, 2017

Sacramento County  
Board of Supervisors  
700 H Street, Suite 2450  
Sacramento, CA 95814

We have performed the procedures enumerated below and on page 2, which were agreed to by the County of Sacramento, Clerk-Recorder's Office (CCR) for the Social Security Number Truncation Program (Program). These agreed-upon procedures were performed solely to evaluate CCR's compliance with California Government Code Section 27361(d)(4) and Sacramento County Board of Supervisors Resolution Number 2007-1376 for the period July 1, 2012 to June 30, 2017. CCR's management is responsible for maintaining sufficient internal controls for its compliance with the California Government Code and Resolution Number as previously mentioned. The sufficiency of the procedures is solely the responsibility of CCR. 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. This report is applicable solely to procedures referred to below and is not intended to pertain to any of CCR's other operations, procedures, or compliance with laws and regulations.

The procedures and associated finding are as follows:

1. We verified that CRR has established a separate account (Account) in its accounting system to account for fees collected for implementation of the Program in accordance with Sacramento County Resolution Number 2007-1376.

Finding: No exceptions were noted as a result of our procedures.

2. We selected a sample of the program fee receipt records from original source documents during each fiscal year within the period from July 1, 2012 to June 30, 2017 and tested as follows:
  - a. Verified the program fees were assessed in accordance with Resolution Number 2007-1376.
  - b. Verified the program fees were deposited to the County Treasury.
  - c. Verified the program fees were recorded in the Account.

Finding: No exceptions were noted as a result of our procedures. See Schedule I, *Social Security Number (SSN) Truncation Program Revenues and Expenditures* and Schedule II, *Social Security Number (SSN) Truncation Program Trust Fund*.

3. We selected a sample of payments from the Account during each fiscal year within the period from July 1, 2012 to June 30, 2017 and verified that the payments were used only for the purpose of the Program as described in Government Code Section 27300.

Finding: No exceptions were noted as a result of our procedures. See Schedule I, for the *Social Security Number (SSN) Truncation Program Revenues and Expenditures*.

4. We obtained a report from CCR that states the progress of the CCR in truncating recorded documents pursuant to Government Code Section 27301(a).

Finding: CCR completed and is truncating its recorded documents since the last agreed-upon procedures report, dated November 15, 2013. Therefore, CRR is no longer required to submit this progress report.

5. We inspected and identified any unusual and improper matters from the progress report at above item number 4.

Finding: Progress report not required as explained above at item number 4.

6. We obtained a report from CCR that estimates any ongoing costs to CCR of complying with Government Code Sections 27301(a) and 27301(b).

Finding: CCR will no longer be collecting the \$1 truncation fee after December 31, 2017. As such, a report from CCR that estimates any ongoing costs of complying with Government Code Sections 27301(a) and 27301(b) was not obtained.

7. We inspected and identified any unusual and improper matter from the estimated ongoing cost report at above item number 6 and the methodology of the estimation.

Finding: The estimated ongoing cost report was not obtained as explained above at item number 6.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform an audit or examination, or review, the objective of which would be the expression of an opinion or conclusion, respectively, on CCR's compliance with California Government Code Section 27361(d)(4) and Sacramento County Board of Supervisors Resolution Number 2007-1376 or results of our procedures referred above. Accordingly, we do not express such an opinion or conclusion. 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 Sacramento County Board of Supervisors, Sacramento County Executive, and CCR's management. It is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Sincerely,

BEN LAMERA  
DIRECTOR OF FINANCE



By: Alan A. Matré, CPA  
Chief of Audits

Enclosures

Schedule I, *Social Security Number (SSN) Truncation Program Revenues and Expenditures*  
Schedule II, *Social Security Number (SSN) Truncation Program Trust Fund*

cc: Nancy Newton, Assistant County Executive  
David Villanueva, Deputy County Executive, Administrative Services  
Britt Ferguson, Chief Fiscal Officer, Office of Budget and Debt Management  
Donna Allred, Clerk-Recorder, CCR

SACRAMENTO COUNTY CLERK-RECORDER (CCR)  
 SOCIAL SECURITY NUMBER (SSN) TRUNCATION PROGRAM REVENUES AND EXPENDITURES  
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2017

	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
<u>Revenue:</u>					
SSN Truncation Fee Revenue Collected	\$ 466,036	336,697	347,261	365,223	393,782
Interest	1,406		1,324	(525)	6,237
Total SSN Truncation Revenue	<u>467,442</u>	<u>336,697</u>	<u>348,585</u>	<u>364,698</u>	<u>400,019</u>
<u>Expenses:</u>					
System Development Services (DTECH)	52,860	900	2,300	1,413	162
Direct Activity	42,511	50,018	47,661	48,250	41,118
Indirect Activity	41,588	55,858	46,849	49,427	43,957
Hardware			22,076		
Software			5,953	117	
Microfilm Services	61,757	19,880	3,867	40,295	24,878
Microfilm Supplies	30,439	18,492	15,240	18,923	26,936
Postal Services	497				
Application Software Maintenance	29,887	29,887	30,335	30,578	30,578
Total Expenses	<u>259,539</u>	<u>175,035</u>	<u>174,281</u>	<u>189,003</u>	<u>167,629</u>
Net Change in SSN Truncation Program Trust Fund	<u>\$ 207,903</u>	<u>161,662</u>	<u>174,304</u>	<u>175,695</u>	<u>232,390</u>

SACRAMENTO COUNTY CLERK-RECORDER (CCR)  
 SOCIAL SECURITY NUMBER (SSN) TRUNCATION PROGRAM TRUST FUND  
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2017

	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
SSN Truncation Program Trust Fund Balance at July 1,	\$ 21,463	229,366	391,028	65,332	41,027
Net Change in SSN Truncation Program Trust Fund	<u>207,903</u>	<u>161,662</u>	<u>174,304</u>	<u>175,695</u>	<u>232,390</u>
Reimbursement back to Modernization Trust Fund (Balance Due to Trust Fund \$936,202)*			(500,000)	(200,000)	
SSN Truncation Program Trust Fund Balance at June 30,	<u>\$ 229,366</u>	<u>391,028</u>	<u>65,332</u>	<u>41,027</u>	<u>273,417</u>

\*It is anticipated that the total of \$936,202 transfers from the Modernization Trust Fund will be repaid by fiscal year 2017/18.