



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
218 Eastown Drive, Apt 201
Wapakoneta, Ohio 45895

We have performed the procedures enumerated below, to which the Democratic Executive Committee, Auglaize County (the Committee) agreed, solely to assist the Committee in evaluating its compliance with certain requirements included in Ohio Rev. Code Sections 3517.1012, 3517.13(X)(1), 2(b), (3)(a), and (4), 3517.17, and 3517.18, for the year ended December 31, 2012. The Committee is responsible for complying with these requirements. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the Committee. 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.

Cash Receipts

1. We inquired of the Committee whether they deposited all gifts from corporations, labor organizations and all gifts restricted to operations into the same fund into which they deposit amounts received from the State Tax Commissioner. Management informed us they received no such gifts.
2. We footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2012. We noted no computational errors.
3. We compared bank deposits reflected in 2012 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2012. For 2012, there was only one Deposit Form 31-CC filed which included two deposits. The first deposit in the amount of \$1.55 had a note beside it that stated it was not able to be deposited due to the check expiring. The second deposit listed was in the amount of \$1.27; however, this deposit was not made until January 31, 2013. There were three other bank deposits during 2012, in the amounts of, \$0.25, \$63.05, and \$51.60 that should have been reported on a Deposit Form 31 CC.

Ohio Rev. Code Section 3517.17(A) states that a political party must deposit into its restricted fund all public moneys received from the Ohio Political Party Fund. Ohio Rev. Code Section 3517.10 (C)(6)(b) states that the secretary of state shall prescribe the form for all statements required to be filed under this section. Therefore, the Committee is required to use the *Statement of Political Party Fund Deposits* (Deposit Form 31-CC) to report all receipts from the Ohio Political Fund with the exception of interest income, loans, refunds or prior expenditures that are returned to the Committee which should be reported on the *Statement of Other Income* (Form 31-A-2).

The Committee should use the *Statement of Political Party Restricted Fund Deposits* (Deposit Form 31-CC), to report receipts from the Ohio Political Party and the *Statement of Other Income* Form 31-A-2) for all other receipts. Also, the Committee should deposit and report all receipts in a timely manner.

Cash Receipts (Continued)

4. We scanned the Committee's 2012 bank statements and noted they reflected three quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The fourth payment received from the State Tax Commissioner was in the amount of \$1.55 and as stated in step 3, was unable to be cashed due to the check expiring. The Deposit Forms 31-CC did not report three of the payments in the amounts of \$.25, \$63.05, and \$51.60, respectively.

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The Committee should use the *Statement of Political Party Restricted Fund Deposits* (Deposit Form 31-CC), to report receipts from the Ohio Political Party and the *Statement of Other Income* Form 31-A-2) for all other receipts.

5. We scanned other recorded 2012 receipts for evidence that a corporation or labor organization may have exceeded the \$10,000 annual gift limit Ohio Rev. Code 3517.13(X)(3)(a) imposes. We found no evidence that any corporation or labor organization exceeded this limit.

Cash Reconciliation

1. We recomputed the mathematical accuracy of the December 31, 2012 reconciliation for the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A). We found no computational errors.
2. We agreed the bank balance in the check register to the bank balance on the bank statement as of December 31, 2012. The balances agreed.

Cash Disbursements

1. We footed each Statement of Expenditures (Form 31-B), filed for 2012. We noted no computational errors.

Ohio Rev. Code Section 3517.17(A)(2) states that a political party shall file disbursement statements as required by division (B) of section 3517.1012 of the Revised Code. Ohio Rev. Code Section 3517.10(C)(6)(b) states the Secretary of State shall prescribe the form for all statements required to be filed under this section.

Pursuant to Ohio Revised Code Sections 3517.18 and 3517.1012 the Committee is required to use the *Statement of Political Party Restricted Fund Disbursements* Form (Deposit Form 31-M) to report all expenditures.

The Committee should use the *Statement of Political Party Restricted Fund Disbursements* Form (Deposit Form 31-M) to report expenditures from the restricted fund.

2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-B filed for 2012 and inquired of management whether they transferred any cash from the restricted fund to any other political party account into which contributions may be made or from which contributions or expenditures may be made. We found no evidence of prohibited transfers.

Cash Disbursements (Continued)

3. We compared the amounts on checks or other disbursements reflected in 2012 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-B filed for 2012. It was noted that one Form 31-B included two disbursements in the amount of \$1,630 that were paid from the Local Campaign Fund.

Ohio Rev. Code Section 3517.17(A)(2) states that each party treasurer receiving public moneys from the Ohio Political Party Fund shall deposit those moneys into the party's restricted fund created under section [3517.1012](#) of the Revised Code, shall expend and maintain those moneys subject to the requirements of that section and section [3517.18](#) of the Revised Code, and shall file deposit and disbursement statements as required by division (B) of section [3517.1012](#) of the Revised Code.

The Committee should only report disbursements from the restricted fund when reporting on disbursements of public money received from the Ohio political party fund.

4. For each disbursement on Disbursement Forms 31-B filed for 2012 that was paid from the Restricted Fund, we traced the payee and amount to payee invoices and to the payee's name on canceled checks. The payees and amounts recorded on Disbursement Forms 31-B agreed to the payees and amounts on the canceled checks and invoices.
5. We scanned the payee for each 2012 disbursement that was paid from the Restricted Fund for evidence that it might represent a contribution or campaign-related disbursement, both of which Ohio Rev. Code 3517.13(X)(2)(b) prohibit. We found no evidence that any restricted fund disbursements represented contributions or campaign-related disbursements.
6. We compared the signature on 2012 checks that was paid from the Restricted Fund to the list dated May 18, 2010 of authorized signatories the Committee provided to us. The signatory on all checks we selected was an approved signatory. We compared the endorsement to the payee listed on the check without exception.
7. We scanned each 2012 restricted fund disbursement recorded on Form 31-B that was paid from the Restricted Fund for evidence that it represented a transfer from the restricted fund to any other state or county political party, which Ohio Rev. Code 3517(X)(4) prohibits. We found no evidence of any transfers.
8. We compared the purpose of each disbursement listed on 2012 Disbursement Forms 31-B that was paid from the Restricted Fund to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. We found no instances where the purpose described on the invoice violated the restrictions of Ohio Rev. Code Section 3517.18.

We were not engaged to, and did not examine each *Statement of Political Party Restricted Fund Deposits* and *Statement of Political Party Restricted Fund Disbursements* filed for 2012, the objective of which would have been to opine on compliance. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

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This report is intended solely for the information and use of the Secretary of State of Ohio and for the Democratic Executive Committee and is not intended to be and should not be used by anyone else.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

March 18, 2013



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AUGLAIZE COUNTY DEMOCRATIC PARTY

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 9, 2013**