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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Hancock County
731 Lincolnshire Lane
Findlay, Ohio 45840

We have performed the procedures enumerated below, to which the Hancock County Democratic Executive Committee (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 requested each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2012. The Committee did not file Form 31-CC, rather, they filed Form 31-A, *Statement of Contributions Received*. We footed the Forms 31-A filed for 2012. We noted no computational errors. We recommend the Committee file the correct Form 31-CC.
3. We compared bank deposits reflected in 2012 restricted fund bank statements to total deposits recorded in Deposit Forms 31-A filed for 2012. The bank deposit amounts did not agree to the deposits recorded in the Forms, as the Forms failed to include the January 2012 deposit. We recommend the Fiscal Officer include those amounts received in the applicable time period on the Form.
4. We scanned the Committee's 2012 bank statements and noted they reflected four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). However, the Deposit Forms 31-A reported only three of the four deposits. We recommend the Fiscal Officer report all amounts received on the Form.
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 on the reconciliation to the bank statement balance as of December 31, 2012. The balances agreed.
3. There were no reconciling items as of December 31, 2012.

Cash Disbursements

1. We requested each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), filed for 2012. The Committee prepared, but did not file, Form 31-M; rather, they filed Form 31-B, *Statement of Expenditures*. We footed the Form 31-B filed for 2012. We noted no computational errors. We recommend the Committee file the required Form 31-M.
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.
3. We compared the amounts on checks or other disbursements reflected in 2012 restricted fund bank statements to disbursement amounts reported on Disbursement Form 31-B filed for 2012. We noted a disbursement reported on the February 2012 bank statement that did not appear on the Disbursement Form 31-B filed for 2012. We recommend the Fiscal Officer include those amounts disbursed in the applicable time period on the Form.
4. For each disbursement on Disbursement Form 31-B filed for 2012, we traced the payee and amount to payee invoices and/or supporting documentation, and to the payee's name on canceled checks. The payees and amounts recorded on Disbursement Form 31-B agreed to the payees and amounts on the canceled checks and invoices and/or supporting documentation. We were also able to agree the disbursement not included on Disbursement Form 31-B to supporting documentation, agreeing the payee and amount.
5. We scanned the payee for each 2012 disbursement 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 to the list, dated April 8, 2012, of authorized signatories the Committee provided to us. The signatory on all checks we selected was an approved signatory. We were unable to compare the endorsement to the payee listed on the checks because the Committee only receives copies of the fronts of canceled checks. We recommend the Committee request from their financial institution copies of both the fronts and backs of all canceled checks.
7. We scanned each 2012 restricted fund disbursement recorded on Form 31-B 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 the 2012 Disbursement Form 31-B, as well as for the disbursement made, but not included on the Disbursement Form, to the purpose listed on the vendor invoice and/or supporting documentation and to the purposes Ohio Rev. Code Section 3517.18 permits. We found no instances where the purpose described on the invoice/supporting documentation violated the restrictions of Ohio Rev. Code Section 3517.18.

Officials' Response:

We did not receive a response from Officials to the exceptions reported above.

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.

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.



Dave Yost
Auditor of State

February 27, 2013

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HANCOCK DEMOCRATIC PARTY

HANCOCK 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
MARCH 12, 2013