

AUGLAIZE COUNTY DEMOCRATIC PARTY

AUGLAIZE COUNTY

**JANUARY 1, 2017 TO DECEMBER 31, 2017
AGREED-UPON PROCEDURES**



Dave Yost • Auditor of State

Executive Committee
Auglaize County Democratic Party
218 Eastown Drive Apt 201
Wapakoneta, OH 45895

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Auglaize County Democratic Party, prepared by Julian & Grube, Inc., for the period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Auglaize County Democratic Party is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 10, 2018

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Auglaize County
218 Eastown Drive
Apartment 215
Wapakoneta, OH 45895

We have performed the procedures enumerated below, which were agreed to by the Democratic Executive Committee, the management of the Auglaize County Democratic Executive Committee (the Committee), the Secretary of State and the Auditor of State, on compliance requirements listed in Ohio Rev. Code Sections 3517.1012, 3517.13 (X)(1), 2(b), (3)(a), and (4), 3517.17 and 3517.18 for certain receipts, expenditures and restricted funds for the year ended December 31, 2017, included in the information provided to us by the management of the Committee. The Committee is responsible for the compliance of those requirements related to receipts, disbursements and restricted funds. The sufficiency of the procedures is solely the responsibility of the 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.

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 did not foot each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code 3517.17 requires (Deposit Form 31-CC), as it was not filed for 2017.

Ohio Rev. Code Section 3517.17 requires a political party to deposit into its restricted fund all public moneys received from the Ohio Political Party Fund. Ohio Rev. Code Sections 3517.10 (C) (6) (b) indicates the secretary of state shall prescribe the form for all statements required to be filed under this section. As prescribed by the Ohio Secretary of State, the Committee is required to use the *Statement of Political Party Restricted Fund Deposits* (Deposit Form 31-CC revised 3/05) to report all receipts from the Ohio Political Party Fund.

The Committee should use the latest *Statement of Political Party Restricted Fund Deposits* form (Form 31-CC) to report receipts from the Ohio Political Party.

3. We did not compare bank deposits reflected in 2017 restricted fund bank statements to total deposits recorded in Deposit Form 31-CC, as it was not filed for 2017.
4. We inspected the Committee's 2017 bank statements and they did not reflect four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Forms 31-CC did not report the sum of these four payments, as it was not filed for 2017. The bank statements did not report one payment in the amount of \$0.51. However, it was received and receipted into the non-restrictive fund. This amount has been transferred to the restricted fund on March 12, 2018.
5. We scanned other recorded 2017 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, 2017 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, 2017. The balances agreed.
3. There were no reconciling items on the December 31, 2017 cash reconciliation.

Cash Disbursements

1. We did not foot each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code 3517.17 requires (Disbursement Form 31-M), as it was not filed for 2017. We footed each *Statement of Contributions Received* (Form 31-A), which was filed for 2017 to report disbursements. No exceptions were found as a result of applying the procedure, other than filing an incorrect form.

Ohio Rev. Code Section 3517.17 indicates the secretary of state shall prescribe the form for all statements required to be filed under this section. As prescribed by the Ohio Secretary of State, the Committee is required to use the *Statement of Political Party Restricted Fund Disbursements* (Deposit Form 31-M revised 3/05) to report all expenditures from the Ohio Political Party Fund.

The Committee used a receipt form, *Statement of Contributions Received* (Form 31-A), to report expenditures from the Ohio Political Party. The Committee should use the latest *Statement of Political Party Restricted Fund Disbursements* form (Form 31-M) to report expenditures from the Ohio Political Party.

2. Per Ohio Rev. Code 3517.13(X)(1), we did not inspect Disbursement Form 31-M, which was not filed for 2017, 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 and expenditures may be made. We inspected *Statement of Contributions Received* (Form 31-A), which was filed for 2017, 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 did not compare the amounts on checks or other disbursements reflected in 2017 restricted fund bank statements to disbursement amounts reported on Disbursement Form 31-M, which was not filed for 2017. We compared the amounts on checks or other disbursements reflected in 2017 restricted bank statements to disbursements amounts reported on *Statement of Contributions Received* (Form 31-A), which was filed for 2017. We found no discrepancies. It was also noted that disbursements on the Form 31-A were paid from both the Restricted Fund and 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 Form 31-M filed for 2017, we did not trace the payee and amount to payee invoices and to the payee's name on cancelled checks as it was not filed for 2017. We traced the payee's name on the payee invoice to the *Statement of Contributions Received* (Form 31-A), which was filed for 2017. The payee and amount recorded on the form agreed to the payee and amount on the payee invoice.

Cash Disbursements – (Continued)

5. We inspected the payee for each 2017 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 2017 checks to the list date 2017 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 did not inspect each 2017 restricted fund disbursement recorded on Form 31-M for evidence that it represented a transfer from the restricted fund to any other state or county political party, which Ohio Rev. Code 3517.13 (X)(4) prohibits, as it was not filed for 2017. We inspected each 2017 restricted fund disbursement recorded on *Statement of Contributions Received* Form 31-A, which was filed for 2017, for evidence that it represented a transfer from the restricted fund to any other state or county political party, which Ohio Rev. Code 3517.13 (X)(4) prohibits. We found no evidence of any transfers.
8. We did not compare the purpose of each disbursement listed on 2017 Disbursement Form 31-M to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits as it was not filed for 2017. We compared the purpose of each disbursement listed on the 2017 *Statement of Contributions Received* Forms 31-A, which was filed for 2017, 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.

This agreed-upon procedures engagement was conducted in accordance with the *American Institute of Certified Public Accountants attestation standards and applicable attestation standards included in the Comptroller General of the United States' Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance requirements listed in Ohio Rev. Code Sections 3517.1012, 3517.13 (X)(1), 2(b), (3)(a), and (4), 3517.17 and 3517.18 for certain receipts, expenditures and restricted funds for the year ended December 31, 2017. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is to provide assistance in evaluation of the Committee's 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, 2017. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
April 25, 2018

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Dave Yost • Auditor of State

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 22, 2018**