



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  
Erie County  
7440 Darrow Road  
Huron, Ohio 44839

We have performed the procedures enumerated below, to which the Democratic Executive Committee, Erie County, Ohio (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. They informed us they did use this fund for all 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. The bank deposit amounts agreed to the deposits recorded in 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). The Deposit Forms 31-CC reported the sum of these four payments without exception.
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.
6. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-CC electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed Forms 31-CC submitted for 2012 on the Secretary of State's website.

### **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.

### **Cash Disbursements**

1. We footed each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), filed for 2012. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M 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 Forms 31-M filed for 2012. We found no discrepancies.
4. For each disbursement on Disbursement Forms 31-M filed for 2012, 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-M agreed to the payees and amounts on the canceled checks and invoices.
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 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-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(X)(4) prohibits. We found no evidence of any transfers.
8. Ohio Revised Code § 3517.18 lists the types of permissible expenditures from political party fund monies. This section states as follows:
  - (A) A political party receiving moneys from the Ohio political party fund may expend the moneys only for the following purposes:

- (1) The defraying of operating and maintenance costs associated with political party headquarters, including rental or leasing costs, staff salaries, office equipment and supplies, postage, and the purchase, lease, or maintenance of computer hardware and software;
  - (2) The organization of voter registration programs and get-out-the-vote campaigns and the costs associated with voter registration and get-out-the-vote activities, including, but not limited to, rental costs for booth spaces at fairs, festivals, or similar events if voter registration forms are available at those booths, printing costs for registration forms, mailing costs for communications soliciting voter registration, and payments for the services of persons conducting voter registration and get-out-the-vote activities;
  - (3) The administration of party fund-raising drives;
  - (4) Paid advertisements in the electronic or printed media, sponsored jointly by two or more qualified political parties, to publicize the Ohio political party fund and to encourage taxpayers to support the income tax checkoff program;
  - (5) Direct mail campaigns or other communications with the registered voters of a party that are not related to any particular candidate or election;
  - (6) The preparation of reports required by law.
- (C) If there is a question about the legitimacy of a party expenditure of public moneys, a designated agent of a political party receiving moneys from the Ohio political party fund may request the Ohio elections commission for an advisory opinion on the matter prior to making an expenditure of those public moneys. The commission shall afford the highest priority to a request made under this division.

We compared the purpose of each disbursement listed on 2012 Disbursement Forms 31-M to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. We found the following exceptions: The Committee issued check number 203 on December 2, 2011 (was included on 2012 Pre-Primary Campaign Finance Report) in the amount of \$37.18 and check number 224 on July 26, 2012 in the amount of \$36.03 to Amy Grubbe, Committee Chairperson representing reimbursements for the purchase greeting cards (get well, sympathy, and graduation). The Committee issued check number 213 on May 11, 2012 in the amount of \$50.00 to LED – Oakland Project as a donation towards the cost of repairs to a veteran memorial monument. The Committee issued check number 221 on June 25, 2012 in the amount of \$40.00 for the purchase a cake in recognition of the newly elected County Sheriff. As stated above, expenditures of political party fund monies are limited to expenditures for operating and maintenance costs for party headquarters, voter registration programs, administration of party fundraising drives, or voter registration drives.

The Committee should reimburse the Erie County Democratic Party restricted fund from private operating funds in the amount of \$163.21 to reimburse the restricted fund for the above disbursements.

9. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-M electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed Forms 31-M submitted for 2012 on the Secretary of State's website.

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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.

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

**Dave Yost**  
Auditor of State

April 9, 2013



# Dave Yost • Auditor of State

**ERIE COUNTY DEMOCRATIC PARTY**

**ERIE 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**