

MORGAN COUNTY DEMOCRATIC PARTY

MORGAN COUNTY

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



Dave Yost • Auditor of State

Executive Committee
Morgan County Democratic Party
161 East Bell Avenue
McConnelsville, OH 43756

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Morgan 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 Morgan 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 29, 2018

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Julian & Grube, Inc.

Serving Ohio Local Governments

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Morgan County
205 Poplar Drive
McConnelsville, OH 43756

We have performed the procedures enumerated below, which were agreed to by the Democratic Executive Committee, the management of the Morgan 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. We footed the *Statement of Contributions Received* (Form 31-A), which was filed for 2017. We found no computational errors.

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 used an outdated *Statement of Contributions Received* (Form 31-A) to report receipts from the Ohio Political Party. 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. We compared the *Statement of Contributions Received* (Form 31-A) which was filed for 2017. The bank deposit amounts did not agree to the deposits recorded in the Form 31-A. Deposits on Form 31-A totaling \$146.00 were in excess of the total deposits in the bank statements.
4. We inspected the Committee's 2017 bank statements and observed they reflected the three quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A), as only three were distributed; however, the Deposit Form 31-CC did not report these three quarterly payments as the form was not filed for 2017. The Deposit Form 31-A, which was filed for 2017, did not report the three payments in the amount of \$0.25, \$3.20 and \$5.42, respectively.

5. We inspected other 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 the *Statement of Expenditures* (Form 31-B) and *Statement of Expenditures for Social or Fund-Raising Event* (Form 31-F), which were filed for 2017. No exceptions were found as a result of applying the procedure, other than filing incorrect forms.

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 an outdated *Statement of Expenditures* (Form 31-B) and *Statement of Expenditures for Social or Fund-Raising Event* (Form 31-F) 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, instead we inspected *Statement of Expenditures* (Form 31-B) and *Statement of Expenditures for Social or Fund-Raising Event* (Form 31-F), which were filed for 2017, and inquired of 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 did compare the amounts on checks or other disbursements reflected in 2017 restricted fund bank statements to disbursement amounts reported on *Statement of Expenditures* (Form 31-B) and *Statement of Expenditures for Social or Fund-Raising Event* (Form 31-F), which were filed for 2017. We found no discrepancies.
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 canceled checks as it was not filed for 2017. We traced the payee and amount to payee invoices and to the payee's name on the canceled checks to the *Statement of Expenditures* (Form 31-B) and *Statement of Expenditures for Social or Fund-Raising Event* (Form 31-F), which were filed for 2017. The payees and amounts recorded on the Forms 31-B and 31-F agreed to the payee's and amounts on the canceled checks and invoices to the payee listed on the check without exception.
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 disbursement 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 the *Statement of Expenditures* Form 31-B and *Statement of Expenditures for Social or Fund-Raising Event* (Form 31-F), which were 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 the form was not filed for 2017. We did compare the purpose of each disbursement listed on 2017 the *Statement of Expenditures* (Form 31-B) and *Statement of Expenditures for Social or Fund-Raising Event* (Form 31-F), which were 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 27, 2018

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Dave Yost • Auditor of State

MORGAN COUNTY DEMOCRATIC PARTY

MORGAN 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
JUNE 12, 2018**