

**STATE OF MINNESOTA  
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

**FINAL AUDIT REPORT**

AUDIT OF MINNESOTA AFL-CIO POLITICAL FUND (REG. NO. 30025) FOR 2015 BALANCE ADJUSTMENT:

The Minnesota AFL-CIO political fund is a political fund registered with the Minnesota Campaign Finance and Public Disclosure Board. In May 2016, the fund asked Board staff for help reconciling a discrepancy of \$20,875.02 between its December 31, 2015, account balance and its 2015 year-end report balance. The fund planned to ask for a balance adjustment if the discrepancy could not be fully reconciled.

Board staff's initial review of the fund's account showed that there were several errors on the fund's 2010 report. Board staff therefore determined that the reconciliation should begin with the year 2010 and work forward. Staff from both the Board and the fund examined all of the fund's financial transactions for the years 2010 through 2015 and identified specific discrepancies between the account and the fund's reports for each year.

By December 2017, all the discrepancies had been reconciled except for those involving the fund's 2012 and 2014 independent expenditures. In March 2018, Board staff asked the fund to use internal records to reconcile the 2014 independent expenditure discrepancies and to obtain copies of invoices from vendors if internal records were not available.

The fund was able to use its records to reconcile the 2014 independent expenditure discrepancies and to determine the amendments necessary to correctly disclose those expenditures on its 2014 report. The records showed that the 2014 discrepancies were due, in part, to the double-reporting of some expenses as both general expenditures and independent expenditures. The fund also had misallocated some multi-candidate independent expenditures, incorrectly reported some independent expenditures as general expenditures, and incorrectly reported some in-kind independent expenditures as cash expenditures.

The fund then used its records for 2012 to reconcile the independent expenditure discrepancies for that year and to determine the amendments necessary to correctly disclose those expenditures on its 2012 report. The fund discovered that the 2012 discrepancies also were caused by double-reporting or incorrectly reporting some independent expenditures and by misallocating some multi-candidate independent expenditures.

The fund has filed amended reports for the years 2010 through 2015 that correctly disclose all of its transactions in those years. A spreadsheet comparing the amounts on the fund's original reports, its amended reports, and its account balances for the years 2010 through 2015 is attached to this audit report as Exhibit 1.

Exhibit 1 shows that \$20,563.18 of the original \$20,875.02 discrepancy has been resolved by the amendments to the fund's reports. The fund has reviewed its records and cannot identify the source of the remaining \$311.84 discrepancy. Reducing the balance on the fund's 2015 amended year-end report by \$311.84 will eliminate the discrepancy between that report and the fund's account for 2015 and for subsequent years.

Jodi Pope, legal/management analyst, was the primary Board employee responsible for conducting the audit. During the course of the audit, the Minnesota AFL-CIO political fund submitted numerous responses to Board requests for information. These responses included financial records, spreadsheets of discrepancies, documents describing discrepancies and their resolution, and draft amended reports.

**Audit finding:**

The Minnesota AFL-CIO political fund had a discrepancy of \$20,875.02 between its reported 2015 year-end balance and the balance in its account on December 31, 2015. The fund used its records to file amended reports that resolve \$20,563.18 of this discrepancy. The fund cannot resolve the remaining discrepancy and has asked for a balance adjustment of \$311.84 so that the balance on its amended year-end 2015 report of receipts and expenditures will match the balance in its account on December 31, 2015. The Board approves the balance adjustment of \$311.84 and decreases the balance on the fund's 2015 amended year-end report from \$1,731.17 to \$1,419.33.

The Minnesota AFL-CIO political fund must file amended year-end reports for 2016, 2017, and 2018 that reflect the new beginning and ending cash balances for each year. All reports must be filed within 30 days of the date of this order.

/s/ Margaret Leppik  
Margaret Leppik, Chair  
Campaign Finance and Public Disclosure Board

Date: June 5, 2019

**Exhibit 1 - Report Summary - Minnesota AFL-CIO political fund (Reg No 30025)**

	Original Report	2019 Amended	Account	Difference	
	(A3)	Report		Amended to	
2010				Account	Notes
Beginning Balance	19,394.00	12,888.85	12,888.85	0.00	
Receipts	284,460.24	283,614.24	283,614.46	(0.22)	
Non-IE Expenditures	(126,974.74)	(129,448.39)			
IE Expenditures	(156,688.23)	(143,088.23)			
Expenditures	(283,662.97)	(272,536.62)	(271,961.02)	575.60	Fund unable to find explanation for extra \$575.60 in expenses on report
Ending Balance	20,191.27	23,966.69	24,542.29	(575.60)	
	Original Report	2019 Amended	Account	Difference	
		Report		Amended to	
2011				Account	Notes
Beginning Balance	20,191.27	23,966.69	24,542.29	(575.60)	
Receipts	1,800.00	3,010.46	3,010.46	0.00	
Non-IE Expenditures	(2,750.00)	(2,893.52)			
IE Expenditures	(810.46)	(810.46)			
Expenditures	(3,560.46)	(3,703.98)	(3,583.81)	(120.17)	
Ending Balance	18,430.81	23,273.17	23,968.94	(695.77)	Difference is \$575.60 from 2010 plus \$120.17 check in transit at end of year
	Original Report	2019 Amended	Account	Difference	
	(A1)	Report		Amended to	
2012				Account	Notes
Beginning Balance	18,430.81	23,273.17	23,968.94	(695.77)	
Receipts	473,328.66	473,328.66	473,328.66	0.00	
Non-IE Expenditures	(425,008.53)	(408,624.86)			
IE Expenditures	(62,183.39)	(76,337.47)			
Expenditures	(487,191.92)	(484,962.33)	(485,082.49)	(120.16)	Part of discrepancy is \$120.17 check in transit at beginning of year
Ending Balance	4,567.55	11,639.50	12,215.11	(575.61)	
	Original Report	2019 Amended	Account	Difference	
	(A6)	Report		Amended to	
2013				Account	Notes
Beginning Balance	4,567.00	11,639.50	12,215.11	(575.61)	A6 amendment inexplicably reduced beg bal by .55
Receipts	94,318.20	45,518.20	45,518.20	0.00	A6 amendment mistakenly included \$48,250 in miscellaneous income from uncashed check that actually had been cashed.
Non-IE Expenditures	(44,941.74)	(46,450.83)			
IE Expenditures	(4,738.35)	(4,738.35)			
Expenditures	(49,680.09)	(51,189.18)	(51,189.18)	0.00	
Ending Balance	49,205.11	5,968.52	6,544.13	(575.61)	Without extra \$48,250 in income, balance on original report would have been \$955.11
	Original Report	2019 Amended	Account	Difference	
	(A3)	Report		Amended to	
2014				Account	Notes
Beginning Balance	49,205.11	5,968.52	6,544.13	(575.61)	
Receipts	456,901.12	456,901.12	456,901.12	0.00	
Non-IE Expenditures	(399,669.37)	(350,780.09)			
IE Expenditures	(83,192.21)	(109,408.08)			
Expenditures	(482,861.58)	(460,188.17)	(461,075.62)	(887.45)	
Ending Balance	23,244.65	2,681.47	2,369.63	311.84	
	Original Report	2019 Amended	Account	Difference	
		Report		Amended to	
2015				Account	Notes
Beginning Balance	23,244.65	2,681.47	2,369.63	311.84	
Receipts	18,200.80	18,200.80	18,200.80	0.00	
Non-IE Expenditures	(19,094.60)	(19,094.60)			
IE Expenditures	(56.50)	(56.50)			
Expenditures	(19,151.10)	(19,151.10)	(19,151.10)	0.00	
Ending Balance	22,294.35	1,731.17	1,419.33	311.84	