



Mary Taylor, CPA
Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Hardin County
19494 County Road 144
Kenton, Ohio 43326

We have performed the procedures enumerated below, to which the 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, 2009. 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 gift.
2. The Committee did not prepare the Deposit Form 31-CC, as required by Ohio Rev. Code Section 3517.17, for 2009. The Committee's 2009 November bank statement reflected an unidentified \$7.00 deposit. The December 2009 bank statement reflected year to date interest of 44 cents. The check register reflected a \$7.32 increase in balance in 2009 without an explanation for source of the change in balance.

Ohio Rev. Code Section 3517.17(A)(2) states that a political party must deposit into its restricted fund all public moneys received from the Ohio Political Party Fund. Ohio Rev. Code Section 3517.10 (C)(6)(b) states that the secretary of state shall prescribe the form for all statements required to be filed under this section. Therefore, the Committee is required to use the *Statement of Political Party Fund Deposits* (Deposit Form 31-CC) to report all receipts from the Ohio Political Party with the exception of interest income, loans, refunds or prior expenditures that are returned to the Committee which should be reported on the *Statement of Other Income* (Form 31-A-2)

The Committee should use the *Statement of Political Party Restricted Fund Deposits* (Deposit Form 31-CC), to report receipts from the Ohio Political Party and the *Statement of Other Income* (Form 31-A-2) for all other receipts.

Cash Receipts (Continued)

3. We attempted to compare bank deposits reflected in 2009 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2009. The Committee did not prepare Forms 31-CC for 2009.
4. We scanned the Committee's 2009 bank statements and noted they did not reflect four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A).

The Committee did not report the receipt of the four quarterly payments received from the State Tax Commissioner during 2009 either on Form 31-CC or in the restricted fund bank statements. The State of Ohio *Auditor Distribution Transaction Detail Report* indicated the Committee should have received \$92.09 from the State Tax Commissioner. The Committee recorded the October 2009 receipt, in the amount of \$1.03, in the January 2010 check register. The Committee did not report the January receipt of \$1.01, the April receipt of \$52.29, or the July receipt of \$37.76.

The Committee should contact the Office of Budget and Management (OMB) and/or the State Tax Commissioner to determine if they can receive the payments for the first three quarters of 2009. The Committee should report all receipts in the year received.

5. We scanned all recorded 2009 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, 2009 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, 2009. The balances agreed.

Cash Disbursements

1. The Committee did not report any disbursements.

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 2009, 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.



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March 15, 2010



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DEMOCRATIC PARTY

HARDIN 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
APRIL 6, 2010**