



**Mary Taylor, CPA**  
Auditor of State



DEMOCRATIC PARTY  
HENRY COUNTY

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio  
Democratic Executive Committee  
Henry County  
P.O. Box 403  
Napoleon, Ohio 43545-0403

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 gifts.
2. We requested copies of each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2009. The Committee did not file the required Deposit form 31-CC because they received no revenues in 2009.
3. We scanned the Committee's 2009 bank statements and noted they did not reflect any of four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The four quarterly payments in the total amount of \$136.63 were not remitted to the Committee by the Ohio Office of Budget and Management (OBM) because the Committee had never submitted an IRS Form W-9 and Vendor Information Form (OBM-3456-Rev. 05/007) to OBM. We informed the Committee they should submit Form W-9 and the Vendor Information Form to ensure the Committee receives future distributions to which it is entitled. Further, we recommended the Committee seek reimbursement for the accumulated \$136.63 in unpaid 2009 distributions. We also made the Committee aware they are entitled to \$160.40 and \$93.86 in unpaid 2008 and 2007 distributions, respectively.

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4. We scanned other 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. We requested copies of each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code, Section 3517.17, requires (Disbursement Form 31-M), filed for 2009. The Committee did not file the required Form Disbursement Form 31-M, rather they filed the *Statement of Expenditures* (Disbursement Form 31-B). We footed the Disbursement Form 31-B filed for 2009. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-B filed for 2009 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 2009 restricted fund bank statements to disbursement amounts reported on Disbursement Form 31-B filed for 2009. We found no discrepancies.
4. For the disbursement on Disbursement Form 31-B filed for 2009, we attempted to trace the payee and amount to payee invoices and to the payee's name on canceled checks. The disbursement transaction consisted of a bank service charge which was electronically deducted from the Restricted Fund bank account. No invoice or cancelled check was issued for this transaction.
5. We scanned the payee for each 2009 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 the restricted fund disbursement represented a contribution or campaign-related disbursement.

6. We scanned the 2009 restricted fund disbursement recorded on Form 31-B 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.
7. We compared the purpose of the disbursement listed on 2009 Disbursement Form 31-B to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. We found one instance where the purpose violated the restrictions of Ohio Rev. Code Section 3517.18. This instance consisted of a \$1.14 bank service charge for not maintaining a sufficiently large bank balance.

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.



**Mary Taylor, CPA**  
Auditor of State

March 8, 2010







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DEMOCRATIC PARTY

HENRY 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  
MARCH 25, 2010