



Mary Taylor, CPA
Auditor of State



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Auglaize County
103 East Benton Street
Wapakoneta, Ohio 45895

We have performed the procedures enumerated below, to which the Democratic Executive Committee, Auglaize County, (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, 2007. 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. 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 footed the *Receipt of Ohio Political Party Fund Monies* (Deposit Form 31-L) and *Statement of Other Income* (Deposit Form 31-A-2), filed for 2007. We noted no computational errors.

Ohio Rev. Code Section 3517.17(A)(2) states that a political party must deposit into its restricted fund all public monies received from the Ohio Political Party Fund. Ohio Rev. Code Section 3517.10(C)(6)(b) states 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 Restricted Fund Deposits* Form (Deposit Form 31-CC) to report all receipts from the Ohio Political Party Fund.

The Committee should use the *Statement of Political Party Restricted Fund Deposits* Form (Deposit Form 31-CC) to report receipts from the Ohio Political Party Fund.

3. We compared bank deposits reflected in 2007 restricted fund bank statements to total deposits recorded in Deposit Forms 31-L and 31-A-2 filed for 2007. The bank deposit amounts agreed to the deposits recorded in the Forms.
4. We scanned the Committee's 2007 bank statements and noted they reflected only two quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Forms 31-L reported the sum of these two payments.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688

www.auditor.state.oh.us

Cash Receipts

The Committee did not receive the payments due in July and October 2007. OBM informed us that effective July 1, 2007, they could not pay any entity unless the entity submitted an IRS Form W-9. The Committee should contact the Office of Budget and Management (OBM) and determine whether they must submit a W-9 form or take other action to receive the July and October payments.

5. We scanned other recorded 2007 receipts for evidence that a corporation or labor organization that may have exceeded the \$10,000 annual gift limit Ohio Rev. Code 3517.13(X)(3)(a) imposes. We found no evidence of such gifts.

Cash Reconciliation

1. We recomputed the mathematical accuracy of the December 31, 2007 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, 2007. The balances agreed.

Cash Disbursements

1. We footed each *Statement of Expenditures* (Disbursement Form 31-B), filed for 2007. We noted no computational errors.

Ohio Rev. Code Section 3517.17 states that a political party shall file disbursement statements as required by division (B) of section 3517.1012 of the Revised Code. Ohio Rev. Code Section 3517.10(C)(6)(b) states 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 Restricted Fund Disbursements* Form (Deposit Form 31-M) to report all expenditures.

The Committee should use the *Statement of Political Party Restricted Fund Disbursements* Form (Deposit Form 31-M) to report expenditures from the restricted fund.

2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-B filed for 2007 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 2007 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-B filed for 2007. We found no discrepancies.
4. For each disbursement on Disbursement Forms 31-B filed for 2007, 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-B agreed to the payees and amounts on the canceled checks and invoices.

5. We scanned the payee for each 2007 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 2007 checks to the list of authorized signatories the Committee provided 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 2007 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 3517.13(X)(4) prohibits. We found no evidence of any transfers.
8. We compared the purpose of each disbursement listed on 2007 Disbursement Forms 31-B to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. We found one exception: The Committee reimbursed Shirley Sharp \$101.80 with check no. 364 of which \$44.78 was for the purchase of a stepping stone and stand for the funeral of a former executive committee member.

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 2007, 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 24, 2008



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY

AUGLAIZE 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 8, 2008**