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Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Party 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, 2008. 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. They informed us they did use this fund for all such gifts.
2. We footed each *Statement of Contributions Received* (Form 31-A) and each *Statement of Contributions Received at a Social or Fund-Raising Event* (Form 31-E) filed for 2008. 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.

3. We compared bank deposits reflected in 2008 restricted fund bank statements to total deposits recorded in Forms 31-A and Forms 31-E filed for 2008. The bank deposit amounts agreed to the deposits recorded in the Forms.
4. We scanned the Committee's 2008 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 OMB requires that entities submit an IRS Form W-9 in order to receive payment. Per inquiry with the Treasurer, Thomas Matthew, on March 10, 2009, the Committee did file the required W-9 form.

The Committee should contact the Office of Budget and Management (OBM) and follow up on the filling of the W-9 form and determine whether they must submit another W-9 form or take other action to receive the January, April, July and October 2008 payments.

5. We scanned other recorded 2008 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.
6. Ohio Rev. Code 3517.1012 requires the Committee to file Forms 31-CC electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations.

The Committee received a \$2,000 gift from a labor organization and failed to file Form 31-CC electronically with the Secretary of State.

The Committee should file Form 31-CC electronically when it has received a donation from a corporation or labor organization.

Cash Reconciliation

1. We recomputed the mathematical accuracy of the December 31, 2008 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, 2008. The balances agreed.

Cash Disbursements

1. We footed each *Statement of Expenditures* (Form 31-B), filed for 2008. We noted no computational errors.

Ohio Rev. Code Section 3517.17 requires the *Statement of Political Party Restricted Fund Disbursements Form* (Disbursement Form 31-M) to be used for reporting expenditures.

2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-B filed for 2008 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 2008 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-B filed for 2008. We found no discrepancies.
4. For two of the five disbursements on Disbursement Forms 31-B filed for 2008, 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.

Only two of the five disbursements were reviewed due to the fact that one of the cancelled checks was not able to be printed by the Committee's current bank. The other two checks were not able to be reviewed due to the fact that the checks were issued from the Committee's previous bank.

The Committee should maintain the cancelled checks in either physical or electronic form.

5. We scanned the payee for each 2008 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 two of the five 2008 checks to the list dated 8/22/08 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 scanned each 2008 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.
8. We compared the purpose of each disbursement listed on 2008 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 no instances where the purpose described on the invoice violated the restrictions of Ohio Rev. Code Section 3517.18.
9. Ohio Rev. Code Section 3517.1012 requires the Party to file form 31-M electronically with the Secretary of State when the committee receives gifts from corporations or labor organizations. The committee did not file the required forms.

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 2008, 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 Auglaize County Democratic Executive Committee and is not intended to be and should not be used by anyone else.



Mary Taylor, CPA
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March 16, 2009



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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 9, 2009**