



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY
DEFIANCE COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|------|
| Independent Accountants' Report on Applying Agreed-Upon Procedures..... | 1 |

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Democratic Executive Committee
Defiance County
27615 County Road 24
Defiance, Ohio 43512

We have performed the procedures enumerated below, to which the Democratic Executive Committee, Defiance County, Ohio (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. Management informed us they received no such gifts.
2. We footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2008. We noted no computational errors.
3. We compared bank deposits reflected in 2008 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2008. The bank deposit amounts agreed to the deposits recorded in the Form.
4. We scanned the Committee's 2008 bank statements and noted they reflected two of four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Forms 31-CC reported the sum of these two payments without exception. One payment in the amount of \$1.03 had never been acknowledged as being received by the Committee. The Committee should request reissuance of this warrant from the Office of Budget and Management.

Another payment in the amount of \$152.60 was inadvertently deposited by Committee Treasurer Eric Spiller into the checking account of the Defiance Democratic Central Committee instead of the checking account of the Committee's Restricted Fund.

This is prohibited under **Ohio Revised Code § 3517.17** which provides that each party treasurer receiving public moneys from the Ohio political party fund shall deposit those moneys into the party's restricted fund created under section 3517.1012 of the Revised Code, shall expend and maintain those moneys subject to the requirements of that section and section 3517.18 of the Revised Code, and shall file deposit and disbursement statements as required by division (B) of section 3517.1012 of the Revised Code. On May 28, 2009 Mr. Spiller transferred the \$152.60 from the Committee's regular account into the restricted checking account.

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.

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 requested copies of each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), filed for 2008. The Committee did not file the required Form 31-M, rather they filed *Statement of Expenditures* (Disbursement Form 31-B).
2. We footed the *Statement of Expenditures* (Disbursement Form 31-B), filed for 2008. We noted no computational errors.
3. Per Ohio Rev. Code 3517.13(X)(1), we scanned the 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.
4. We compared the amount on the check reflected in a 2008 restricted fund bank statement to a disbursement amount reported on Disbursement Form 31-B filed for 2008. We found no discrepancy.

5. For the disbursement on Disbursement Form 31-B filed for 2008, we traced the payee and amount to the payee invoice and to the payee's name on the canceled check. The payee and amount recorded on Disbursement Form 31-B agreed to the payee and amount on the canceled check. The payee's name on the check differed from the name on the invoice. The name on the check was Defiance County Democratic Party and the name on the invoice was Defiance County Agricultural Society. This was because the Democratic Party was being reimbursed by the Committee's Restricted Fund for payment of Fair Booth Rental.
6. We scanned the payee for the 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.
7. We compared the signature on the 2008 check to the list of authorized signatories the Committee provided to us. The signatory on the check was an approved signatory. We compared the endorsement to the payee listed on the check without exception.
8. We scanned the 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.
9. We compared the purpose of the disbursement listed on 2008 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 no instance where the purpose described on the invoice violated the restrictions of Ohio Rev. Code Section 3517.18.

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 Democratic Executive Committee and is not intended to be and should not be used by anyone else.



Mary Taylor, CPA
Auditor of State

June 2, 2009



Mary Taylor, CPA
Auditor of State

DEFIANCE DEMOCRATIC PARTY

DEFIANCE 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
JUNE 30, 2009**