



Dave Yost • Auditor of State





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

Secretary of State of Ohio  
Democratic Executive Committee  
9004 US Route 62  
Killbuck, Ohio 44637

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, 2010. 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 footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.1012(B) requires (Deposit Form 31-CC), filed for 2010. We noted no computational errors.
3. We compared bank deposits reflected in 2010 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2010. The bank deposit amounts agreed to the deposits recorded in the Form.
4. We scanned the Committee's 2010 bank statements and noted they reflected 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 four payments without exception.
5. We scanned other recorded 2010 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, 2010 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, 2010. The balances agreed.

### Cash Disbursements

1. We inquired of the Committee whether they completed a *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.18 and Section 3517.1012 requires (Disbursement Form 31-M), for 2010. Management informed us they used a *Statement of Expenditures* (Form 31-B) to report their only disbursement in 2010 – a transfer from the Restricted Fund account
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-B filed for 2010 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. As noted in Step 1 above, we scanned the *Statement of Expenditures* (Form 31-B) which was used for 2010 in place of Form 31-M. Contrary to Ohio Rev. Code 3517.13(X)(1), a transfer in the amount of \$210 from the Restricted Fund to the Committee's Unrestricted Fund was made to pay for a fair booth rental because the Restricted Fund is maintained in a savings account with no checks.

Even though the aforementioned expenditure is eligible to be paid with the Restricted Funds, the Committee should establish a checking account so eligible expenditures can be made directly from the Restricted Funds account.

3. We compared the amounts on checks or other disbursements reflected in the 2010 restricted fund bank statements to the disbursement amount reported on Disbursement Form 31-B filed for 2010. We found no discrepancies.
4. For the disbursement recorded on Disbursement Form 31-B filed for 2010, we traced the transfer from the Committee's restricted savings account into the Committee's unrestricted checking account. This transfer of \$210 represented one half the payment of a fair booth rental totaling \$420 (unrestricted check no. 593, dated August 2, 2010). The payee on the invoice was traced to the payee and amount and name on the cancelled check without exception.
5. We scanned the payee for the 2010 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 transfer represented contributions or campaign-related disbursements.
6. We scanned the 2010 restricted fund disbursement recorded on Disbursement 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 the 2010 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 instances where the purpose described on the invoice violated the restrictions of Ohio Rev. Code Section 3517.18.

The Committee has elected not to respond to the exceptions noted above.

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 2010, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

March 9, 2011

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**HOLMES DEMOCRATIC PARTY**

**HOLMES 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  
MAY 5, 2011**