



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
Defiance County
406 North Bryan Street
Hicksville, Ohio 43526-1049

We have performed the procedures enumerated below, to which the Defiance County 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, 2011. 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 the *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2011. We noted a \$0.39 computational error on Deposit Form 31-CC. The total on Deposit Form 31-CC was \$193.27 while the sum of the three payments reported on Deposit Form 31-CC was \$192.88. We recommend the Treasurer review Deposit Form 31-CC for mathematical accuracy.
3. We compared bank deposits reflected in 2011 restricted fund bank statements to total deposits recorded in Deposit Form 31-CC filed for 2011. The bank deposit amounts agreed to the deposits recorded in the Deposit Form 31-CC, except for the second quarterly payment from the State Tax Commissioner. For this payment, the bank deposit amount reflected in the restricted fund bank statement was \$114.60 while the deposit amount reported on Deposit Form 31-CC was \$114.99. We recommend the Treasurer verify bank deposit amounts to the amounts recorded in the Deposit Form 31-CC.
4. We scanned the Committee's 2011 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 Deposit Form 31-CC did not report the first quarterly payment in the amount of \$1.27. We recommend the Treasurer requests reissuance of this warrant from the Office of Budget and Management.

5. We scanned for other recorded 2011 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

We agreed the bank balance on the Committee's books to the bank statement balance as of December 31, 2011. The balances agreed, as there were no reconciling items.

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 2011. The Committee did not file the required Deposit Form 31-M; rather they filed the *Statement of Expenditures* (Form 31-B). We footed each Form 31-B filed for 2011. We noted no computational errors. We recommend the Committee file Disbursement Form 31-M for all political party restricted fund disbursements.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Form 31-B filed for 2011 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 2011 restricted fund bank statements to disbursement amounts reported on Form 31-B filed for 2011. We found no discrepancies.
4. For each disbursement on Form 31-B filed for 2011, we attempted to trace the payee and amount to payee invoices and to the payee's name on canceled checks. The payee and amount recorded on Form 31-B agreed to the payee and amount on the canceled check and invoice for one recorded disbursement. The other disbursement transaction on Form 31-B filed for 2011 was a bank service charge of \$19.50, which was an electronic debit charge on the Committee's restricted fund bank statement. No check was issued for this disbursement transaction.
5. We scanned the payee for each 2011 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 the 2011 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.
7. We scanned each 2011 restricted fund disbursement recorded on Forms 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 2011 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.

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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 2011, 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 "Y" and "O".

Dave Yost
Auditor of State

February 23, 2012

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DEFIANCE COUNTY 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
MARCH 8, 2012