



**Auditor of State
Betty Montgomery**

**DEMOCRATIC POLITICAL PARTY
BROWN COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Democratic Executive Committee
Brown County
PO Box 25
Georgetown, Ohio 45121

To the Executive Committee:

We have performed the procedures enumerated below, to which the Democratic Executive Committee, Brown County, Ohio (the Committee), agreed, solely to assist the Committee in evaluating its compliance with Ohio Rev. Code Sections 3517.1012, 3517.17, and 3517.18, for the year ended December 31, 2005. 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 not use this fund for all such gifts.

The Committee deposited \$1,510 from corporation and labor organizations into the private party funds operating checking account. HB 1 (effective March 31, 2005) requires county political parties to create a restricted fund, into which the party must deposit amounts received from the State Tax Commissioner (check off money) and contributions from corporations and labor organizations. The contributions and the check off money are both subject to the restrictions on use Ohio Revised Code 3517.18 lists.

On August 24, 2006, the Committee transferred the \$1,510 received from corporations and labor organizations from the private party funds operating checking account to the account into which they deposit amounts received from the State Tax Commissioner. Disbursements from this account should be for purposes Ohio Rev. Code 3517.18 permits.

2. We footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), prepared for 2005. The Democratic Party did not file an annual report as required by ORC 3517.10. We noted no computational errors.
3. We compared bank deposits reflected in 2005 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC prepared for 2005.
4. We confirmed amounts received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A), and agreed them to amounts shown on Deposit Forms 31-CC prepared for 2005. One receipt in the amount of \$2.79 was returned to the Committee due to the warrant being stale dated.

5. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-CC electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. The Committee did not file Deposit Forms 31-CC for 2005.
6. It was noted in the prior audit \$12.14 was erroneously deposited into the operating funds checking account instead of the check off funds account. This error was corrected on August 24, 2006.

Cash Reconciliation

1. We recomputed the mathematical accuracy of the December 31, 2005 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, 2005. The balances agreed. There were no reconciling items at December 31, 2005.

Cash Disbursements

1. We footed each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), prepared for 2005. We noted no computational errors.
2. We compared the amounts on checks or other disbursements reflected in 2005 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-M prepared for 2005.
3. For each disbursement on Disbursement Forms 31-M prepared for 2005, 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-M agreed to the payees and amounts on the canceled checks and invoices.
4. We compared the signature on 2005 checks to the list date 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.
5. We compared the purpose for each disbursement listed on Disbursement Forms 31-M, filed for 2005, to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code 3517.18 permits.

We found no instances where the purpose described on the invoice was inconsistent with the purposes Ohio Rev. Code 3517.18 permits.

We were not engaged to, and did not perform an examination, the objective of which would be to express an opinion on compliance for each *Statement of Political Party Restricted Fund Deposits* and *Statement of Political Party Restricted Fund Disbursements* prepared for 2005. 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 24, 2006



**Auditor of State
Betty Montgomery**

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DEMOCRATIC PARTY

BROWN 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
SEPTEMBER 21, 2006**