



Mary Taylor, CPA
Auditor of State



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REPORT OF INDEPENDENT ACCOUNTANTS ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Logan County
128 W. Lake Ave.
Bellefontaine, Ohio 43311

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, 2006. 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 Contributions Received* (Form 31-A), filed for 2006. We noted no computational errors.

Ohio Rev. Code Section 3517.17 states that a political party must deposit into its restricted fund all public moneys 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* (Deposit Form 31-CC) to report all receipts from the Ohio Political Party Fund.

The Committee should use the *Statement of Political Party Restricted Fund Deposits* Form (Deposit Form 31-CC) to report receipts from the Ohio Political Party.

3. We compared bank deposits reflected in 2006 restricted fund bank statements to total deposits recorded in Deposit Forms 31-A filed for 2006. We found no exceptions.
4. We confirmed amounts received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A), and agreed the amounts shown on Deposit Forms 31-A filed for 2006. We found no exceptions.

5. We scanned other recorded 2006 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 instances.

Cash Reconciliation

1. We recomputed the mathematical accuracy of the December 31, 2006 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, 2006. The balances agreed.

Cash Disbursements

1. We footed each *Statement of Expenditures* (Disbursement Form 31-B), filed for 2006. We found no computational errors.

Ohio Rev. Code Section 3517.17 states that a political party shall file disbursement statements as required by division (B) of section 3517.1012 of the Revised Code. 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 Disbursements* form (Disbursement Form 31-M) for reporting expenditures.

The Committee should use the *Statement of Political Party Restricted Fund Disbursements* form (Disbursement Form 31-M) for reporting expenditures from the restricted fund.

2. Per Ohio Rev. Code 3517.13 (X)(1), we scanned Disbursement Form 31-B filed for 2006 and inquired with 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. Management informed us they made no such transfers and we found no such transfers.
3. We compared the amounts on checks or other disbursements reflected in 2006 restricted fund bank statements to disbursement amounts reported on Disbursement Form 31-B filed for 2006. We found no discrepancies.
4. We compared the signatures on 2006 checks to the list of authorized signatories the Committee provided to us. We found no exceptions.
5. We scanned each 2006 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 transfers.
6. For each disbursement on Disbursement Forms 31-B filed for 2006, we traced the payee and amount to payee invoices and to the payee's name on canceled check. The payees and amounts recorded on Disbursement Forms 31-B agreed to the payees and amounts on the invoices and canceled check.
7. We scanned the payee for each 2006 disbursement for evidence that it might represent a contribution or campaign-related disbursement, both of which Ohio Rev. Code 3517(X)(2)(b) prohibit. We found no evidence that any restricted fund disbursements represented contributions or campaign-related disbursements.

8. We compared the purpose of each disbursement listed on Disbursement Form 31-B, filed for 2006, 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.

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 2006, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 28, 2007



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY

LOGAN 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
AUGUST 14, 2007**