



Mary Taylor, CPA
Auditor of State

DEMOCRATIC POLITICAL PARTY
UNION COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Union County
13765 Hinton Mill Road
Marysville, Ohio 43040

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, 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. They informed us they did use this fund for all such gifts.
2. We attempted to foot each Statement of Political Party Restricted Fund Deposits Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2008. The Committee did not file the required Form 31-CC, rather they filed the *Statement of Contributions* (Form 31-A). Therefore, we footed the *Statement of Contributions Received*, (Form 31-A), filed for 2008. We noted no computational errors.
3. We attempted to compare bank deposits reflected in 2008 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2008. However, as noted in Step 2 above, the Statement of Political Party Restricted Fund Deposits Ohio Rev. Code Section 3517.17 requires (Form 31-CC) was not filed for 2008. Therefore we compared bank deposits reflected in 2008 restricted fund bank statements to total deposits recorded in *Statement of Contributions* (Form 31-A), 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 there were no quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Committee did not receive these quarterly payments.

The Office of Budget and Management informed us they cannot make payments to entities unless they file an IRS form W-9 to them. We recommend that the Committee determine if they filed their W-9 with the Office of Budget and Management (OBM) so they can receive the 2008 quarterly payments they are owed.

Cash Receipts (Continued)

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). The Committee did not report the December bank fees on the December 31, 2008 reconciliation.
2. We could not agree the bank balance on the reconciliation to the bank statement balance as of December 31, 2008. The Committee did not report the December bank fees on the December 31, 2008 reconciliation. Once we considered the December bank fees 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 the *Statement of Expenditures* (Form 31-B). Therefore we footed the *Statement of Expenditures* (Form 31-B) filed for 2008. We noted no computational errors.

Ohio Rev. Code Section 3517.17 states the secretary of state shall prescribe the form for all statements required to be filed under this section. As prescribed by the Ohio Secretary of State, the Committee is required to use Disbursement Form 31-M to report all expenditures from the Ohio Political Party Fund.

The Committee used *Statement of Expenditures* (Form 31-B) to report expenditures from the Ohio Political Party. The Committee should use the latest Disbursement Form 31-M to report expenditures from the Ohio Political Party.

2. Per Ohio Rev. Code 3517.13(X)(1), we scanned 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.
3. We compared the amounts on checks or other disbursements reflected in 2008 restricted fund bank statements to disbursement amounts reported on Disbursement Form 31-B filed for 2008. The Committee did not report the December bank fees on the December 31, 2008 on the Disbursement Form 31-B.
4. The only disbursements shown on Disbursement Form 31-B filed for 2008 were for bank service fees, we traced to the amounts reported on the bank statements. The amounts recorded on Disbursement Forms 31-B agreed to the amounts on the bank statements.
5. We scanned the payee for each 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.

Cash Disbursements (Continued)

6. We scanned each 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.
7. We compared the purpose of each disbursement listed on 2008 Disbursement Forms 31-B to the purpose listed on the bank statement 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 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

March 31, 2009



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY

UNION 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 12, 2009