



Mary Taylor, CPA
Auditor of State

HIGHLAND COUNTY DEMOCRATIC PARTY
HIGHLAND COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Democratic Executive Committee
Highland County
5688 State Route 753
Hillsboro, Ohio 45133

We have performed the procedures enumerated below, to which the Democratic Executive Committee, Highland 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, 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 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 3517.17 requires (Deposit Form 31-CC), filed for 2008. Management did not report on Deposit Form 31-CC instead they used Form 31-A. We noted no computational errors on Form 31-A.
3. We compared bank deposits reflected in 2008 restricted fund bank statements to total deposits recorded in Deposit Forms 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 they reflected four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Forms 31-A reported the sum of three payments without exception. A fourth payment in the amount of \$3.03 was marked void on the State of Ohio Auditor Distribution Transaction Detail Report.
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. Management informed us they received no such gifts.

6. 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. Management informed us they received no such gifts.

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). We found no computational errors.
2. We agreed the bank balance on the December 31, 2008 reconciliation to the bank confirmation dated December 31, 2008. The balances agreed.

Cash Disbursements

1. We footed each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), filed for 2008. Management did not report disbursements on Disbursement Form 31-M instead they used Form 31-B. We noted no computational errors on form 31-B.
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 Forms 31-B filed for 2008. We found no discrepancies.
4. For each disbursement on Disbursement Forms 31-B filed for 2008, we traced the payee and amount to payee invoices and to the payee's name on canceled checks. The Democratic Executive Committee did not have any invoices or canceled checks. The Democratic Executive Committee recorded only one expenditure for the purchase of checks, which was electronically deducted from their account.
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.
6. We compared the signature on 2008 checks to the list dated 6/24/2009 of authorized signatories the Committee provided to us. The Democratic Executive Committee did not issue any checks for 2008.
7. 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.

8. We compared the purpose of the disbursement listed on 2008 Disbursement 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. The Democratic Executive Committee did not have any invoices or canceled checks. The Democratic Executive Committee recorded only one expenditure for the purchase of checks, which was electronically deducted from their account.
9. Ohio Rev. Code, 3517.1012, requires the Party to file Forms 31-M electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. The Committee did not receive any gifts from corporations or labor organizations.

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

July 22, 2009



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HIGHLAND COUNTY DEMOCRATIC PARTY

HIGHLAND 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 25, 2009**