



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Brown County Democratic Executive Committee
110 Pine Ridge Ave
Mount Orab, Ohio 45154

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, 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 each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2011. We noted no computational errors.
3. We compared bank deposits reflected in 2011 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2011. The bank deposit amounts agreed to the deposits recorded in the Form.

We scanned the Committee's 2011 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-CC reported the sum of these four payments without exception.

Cash Reconciliation

No bank reconciliation was performed, however we scanned the Committee's bank statements for 2011 and noted no reconciling items at December 31, 2011.

Cash Disbursements

1. The Committee did not file the required Disbursement Form 31-M, *Statement of Political Party Restricted Fund Disbursements*, rather they filed Disbursement Form 31-B, *Statement of Expenditures*. Therefore we footed the Statement of Expenditures (31-B) filed for 2010. 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 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 Disbursement Forms 31-B filed for 2011. We found no discrepancies.
4. For each disbursement on Disbursement Forms 31-B filed for 2011, 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-B agreed to the payees and amounts on the canceled checks and invoices.
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 2011 checks to the name provided on February 28, 2012 of authorized signatories the Committee provided to us. The signatory on all checks we selected was an approved signatory. We could not compare the endorsement to the payee listed on the check because the images of the canceled checks provided by the bank were only the fronts of the checks.
7. We scanned each 2011 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 each disbursement listed on 2011 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 an instance where the purpose listed on the vendor invoice violated the restrictions of Ohio Rev. Code Section 3517.18. The Committee issued Check No. 130 for \$50 to The Treasurer Chest Florist for flowers for a funeral. On May 23, 2012, the Committee transferred \$50 from the private party fund operating account to repay the restricted fund for this expenditure.

We were not engaged to, and did not examine each *Statement of Political Party Restricted Fund Deposits* and *Statement of Expenditures* 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 initial "D".

Dave Yost
Auditor of State

May 30, 2012

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BROWN COUNTY 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
JULY 05, 2012**