



Mary Taylor, CPA
Auditor of State

DEMOCRATIC POLITICAL PARTY
BROWN COUNTY

TABLE OF CONTENTS

TITLE _____ **PAGE**

Independent Accountants' Report on Applying Agreed Upon Procedures..... 1

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Brown County
PO Box 596
Georgetown, Ohio 45121

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. They informed us they did use this fund for all such gifts.

Testing of receipts did indicate one instance where a donation from a corporation in the amount of \$245.48 was deposited into the private party funds operating checking account. Ohio Rev. Code Section 3517.1012(A) requires, in part, that a county political party shall deposit into its restricted fund all public moneys received from the Ohio political party fund and all gifts that are made to or accepted by the political party from a corporation or labor organization.

On April 5, 2007, the Committee transferred the \$245.48 received from the corporation from the private party funds operating checking account to the account into which they deposit amounts received from the State Tax Commissioner.

2. We footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2006. We noted no computational errors.
3. We compared bank deposits reflected in 2006 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2006.
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 filed for 2006. We found no exceptions.

5. We scanned other recorded 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.
6. Ohio Rev. Code 3517.1012(B) requires the Party to file Forms 31-CC electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations.

We viewed submissions indicating the Committee tried to file Forms 31-CC for 2006 electronically on the Secretary of State's website, however the forms were blank.

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.
3. There were no reconciling items as of December 31, 2006.

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 2006. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M 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 2006 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-M filed for 2006.
4. For each disbursement on Disbursement Forms 31-M filed for 2006, we traced the payee and amount to payee invoices and to the payee's name on canceled checks. Except as noted, the payees and amounts recorded on Disbursement Forms 31-M agreed to the payees and amounts on the canceled checks and invoices. Invoices or supporting documentation were not provided for rent payments of the headquarter building.
5. We scanned the payee for each 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 2006 checks to the list 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.
7. We scanned each restricted fund disbursement recorded on Form 31-M for evidence that it represented a transfer from the restricted fund to any other state or county political party, which Ohio Rev. Code 3517.13(X)(4) prohibits. We found no evidence of any transfers.

8. We compared the purpose of each disbursement listed on Disbursement Forms 31-M, filed for 2006, to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits.

We found one exception: The Committee issued Check No. 105 for \$358.67 to Donahue Advertising for purchase of fans to be distributed at the fair supporting the election of Democrat candidates. Ohio Rev. Code Section 3517.18(B)(1)(a) provides, in part, that moneys from the Ohio political party fund shall not be used to further the election or defeat of any particular candidate or to influence directly the outcome of any candidate or issue election.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Jo Ann Kattine, Treasurer, Brown County Democratic Party in the amount of \$358.67 in favor of the political parties restricted fund of the Brown County Democratic Party.

On April 5, 2007, the Committee transferred \$358.67 from the private party fund operating checking account to repay the Brown County Democratic Party's restricted fund.

9. Ohio Rev. Code 3517.1012(B) requires the Party to file Forms 31-M electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed submission indicating the Committee tried to file Forms 31-M for 2006 electronically on the Secretary of State's website, however the forms were blank.

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.



Mary Taylor, CPA
Auditor of State

April 5, 2007



Mary Taylor, CPA
Auditor of State

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
MAY 10, 2007**