



**DEMOCRATIC POLITICAL PARTY
KNOX COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2007



Mary Taylor, CPA
Auditor of State

**DEMOCRATIC POLITICAL PARTY
KNOX COUNTY**

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Mary Taylor, CPA

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Knox County
203 N. Division Street
Mount Vernon, Ohio 43050

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, 2007. 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 requested copies of each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2007. The Committee did not file the required Form 31-CC, rather they filed the *Statement of Contributions Received* (Form 31-A), and the *Statement of Other Income* (Form 31-A-2). We footed (Form 31-A) and (Form 31-A-2) and noted no computational errors.
3. We compared bank deposits reflected in 2007 restricted fund bank statements to total deposits recorded in Deposit Forms 31-A and 31-A-2 filed for 2007. The bank deposit amounts agreed to the deposits recorded in the Form.
4. We scanned the Committee's 2007 bank statements and noted they reflected two quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The *Statement of Contributions Received* (Form 31-A) reported the sum of these two payments. The Committee did not receive 2007 third and fourth quarter payments from the State Tax Commissioner.

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 2007 quarterly payments they are owed.

Cash Receipts (Continued)

5. We scanned other recorded 2007 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, 2007 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, 2007. 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 2007. The Committee did not file the required Form 31-M, rather they filed the *Statement of Expenditures* (Form 31-B). We footed (Form 31-B) and noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-B filed for 2007 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 check reflected in 2007 restricted fund bank statements to disbursement amount reported on Disbursement Forms 31-B filed for 2007. We found no discrepancies.
4. For the disbursement on Disbursement Form 31-B filed for 2007, we traced the payee and amount to the payee invoice and to the payee's name on cashier's check. The payee and amount recorded on Disbursement Form 31-B agreed to the payee and amount on the cashier's check and invoice.
5. We scanned the payee for the 2007 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 2007 check to the list of authorized signatories the Committee provided to us. The only disbursement was a cashier's check to the Knox County Fair. The cashier's check was signed by a bank employee.
7. We scanned the 2007 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.

Cash Disbursements (Continued)

8. We compared the purpose of the disbursement listed on 2007 Disbursement Form 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.

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 2007, 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 21, 2008



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY

KNOX 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 6, 2008