



Mary Taylor, CPA
Auditor of State

**DEMOCRATIC POLITICAL PARTY
MADISON COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Party Executive Committee
Madison County
251 Fellows Ave
West Jefferson, Ohio 43162

We have performed the procedures enumerated below, to which the Madison County Democratic Party 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 Other Income* (Form 31-A-2).
3. We footed the *Statement of Other Income* (Form 31-A-2), filed for 2007. We noted no computational errors.
4. We compared bank deposits reflected in 2007 restricted fund bank statements to total deposits recorded in Form 31-A-2 filed for 2007. The bank deposit amount agreed to the deposit recorded in the Form.
5. 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 Other Income* (Form 31-A-2) 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 with 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)

6. 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(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).
2. We footed the *Statement of Expenditures* (Form 31-B), filed for 2007. We noted no computational errors.
3. Per Ohio Rev. Code 3517.13(X)(1), we scanned Form 31-B 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.
4. We compared the amounts on checks or other disbursements reflected in 2007 restricted fund bank statements to disbursement amounts reported on Forms 31-B filed for 2007.

We noted one exception: the Committee reported one bank service charge disbursement on Form 31-B; however, the restricted fund bank statements reflected two service charge disbursements.

5. For each disbursement on Form 31-B filed for 2007, we traced the service charge to the bank statements. The service charge recorded on Form 31-B agreed to the bank statements.

We noted one exception: the Committee reported one bank service charge on Form 31-B; however, the restricted bank statements reflected two service charge disbursements.

6. We scanned the payee for each 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.
7. We did not compare the signature on 2007 checks to the list of authorized signatories as all disbursements were bank service charges.
8. We scanned each 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)

9. We compared the purpose of the disbursement listed on 2007 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 found no exceptions.

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

February 28, 2008



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Auditor of State

DEMOCRATIC PARTY

MADISON 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
APRIL 8, 2008