



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Hardin County
19404 County Road 144
Kenton, OH 43326

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. The Committee did not prepare the Deposit Form 31-CC, as required by Ohio Rev. Code Section 3517.1012(B), for 2011. The Committee's January 2011 bank statement reflected an unidentified deposit of \$10.00. The 2011 bank statements reflected year to date interest of 19 cents.

Ohio Rev. Code Section 3517.17(A) states that a political party must deposit into its restricted fund all public moneys received from the Ohio Political Party Fund. Ohio Rev. Code Section 3517.10 (C)(6)(b) states that the secretary of state shall prescribe the form for all statements required to be filed under this section. Therefore, the Committee is required to use the *Statement of Political Party Fund Deposits* (Deposit Form 31-CC) to report all receipts from the Ohio Political Fund with the exception of interest income, loans, refunds or prior expenditures that are returned to the Committee which should be reported on the *Statement of Other Income* (Form 31-A-2).

The Committee should use the *Statement of Political Party Restricted Fund Deposits* (Deposit Form 31-CC), to report receipts from the Ohio Political Party and the *Statement of Other Income* (Form 31-A-2) for all other receipts.

3. We scanned the Committee's 2011 bank statements and noted they reflected only three of the four quarterly payments that are to be received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A).

Cash Receipts (Continued)

The State of Ohio *Auditor Distribution Transaction Detail Report* indicated the Committee should have received four receipts in the total amount of \$63.60 from the State Tax Commissioner. The Committee's bank statements reflected the January receipt in the amount of \$2.03, the April receipt in the amount of \$33.40, and the July receipt in the amount of \$27.91 for a total of \$63.34. The Committee did not deposit the October receipt in the amount of \$.26.

In May 2011, the Committee recorded the April 2011 receipt in the deposit register. The Committee did not report the January 2011 receipt in the amount of \$2.03, the July 2011 receipt in the amount of \$27.91, or the October 2011 receipt in the amount of \$0.26 in the deposit register.

The Committee should report all receipts when received. In addition, the Committee should contact the State Tax Commissioner regarding the October 2011 quarterly payment in the amount of \$0.26 that was not received in 2011.

4. We scanned other recorded 2011 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 re-computed the mathematical accuracy of the December 31, 2011 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 attempted to agree the bank balance on the reconciliation to the bank statement balance as of December 31, 2011. The balances did not agree. Although the ledger used for the reconciliation correctly reported the January beginning bank balance, the beginning balance of the ledger plus receipts minus disbursements did not equal the ending bank balance. The variance between the ending ledger balance and the ending bank balance was \$30.13 and was due to bank deposits for the January 2011 receipt in the amount of \$2.03, the July 2011 receipt in the amount of \$27.91 and interest in the amount of \$0.19 not being recorded on the ledger.

The Committee should record all restricted fund receipts and disbursements in the ledger and make certain the ending balance per the ledger reconciles to the bank statement.

Cash Disbursements

1. The Committee did not report any disbursements.

OFFICIALS' RESPONSE: We did not receive a response from Officials to the exceptions noted above.

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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 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" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State

March 23, 2012

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HARDIN COUNTY DEMOCRATIC PARTY

HARDIN 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 12, 2012**