



Mary Taylor, CPA
Auditor of State

WARREN COUNTY DEMOCRATIC PARTY
WARREN COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Democratic Executive Committee
Warren County
113 B East Mulberry Street
Lebanon, Ohio 45036

We have performed the procedures enumerated below, to which the Democratic Executive Committee, Warren County, Ohio (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.

Based upon inquiry of management and review of the Committee's Regular Account, it was determined that \$2,700 was received from labor organizations for tickets to a fund-raising event. Per Ohio Rev. Code Section 3517.1012 (A)(2), the Committee should have deposited and reported these contributions in the Committee's Restricted Fund, instead of the Regular Account. However, it was noted that during 2006, the Committee disbursed amounts greater than \$2,700 for rental of the Committee's Party Headquarters. These disbursements are an allowable use of funds required to be deposited into the Restricted Fund. We recommend that the Party report adjustments for the \$2,700 received and disbursed in the Committee's Restricted Fund for their next required reporting period.

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.

However, the Committee filed the outdated version of the Ohio Campaign Finance Report with Form 31-A instead of Form 31-CC for the last half of 2006. We recommend that the Committee use the correct form.

3. We compared bank deposits reflected in 2006 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2006. The bank deposit amounts agreed to the deposits recorded in the Form.
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 2006 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 requires the Party to file Forms 31-CC electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations.

The Committee did not file Forms 31-CC electronically during 2006. We recommend that the Committee file these forms electronically when gifts from corporations or labor organizations are received.

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 significant 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.

However, the Committee filed the outdated version of the Ohio Campaign Finance Report with Form 31-B instead of Form 31-M for 2006. We recommend that the Committee use the correct form.

2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M filed for 2006 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. We found no discrepancies.

No further review was deemed necessary for cash disbursements, because the Committee's Regular Account reimbursed the Restricted Fund for all disbursements noted for 2006. All disbursements were intended to be charged to the Committee's Regular Account; however when the Committee's bank issued the Committee a new debit card in June, 2006, the card was incorrectly set up to draw funds from the Restricted Fund, instead of the Regular Account. When this error was identified by the Committee, the Regular Account reimbursed the Restricted Fund for all disbursements made in error. There were no other disbursements from the Restricted Fund during 2006.

4. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-M electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations.

The Committee did not file Forms 31-M electronically during 2006. We recommend that the Committee file these forms electronically when gifts from corporations or labor organizations are received.

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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 14, 2007



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY

WARREN 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
SEPTEMBER 11, 2007**