



Mary Taylor, CPA
Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Shelby County
Donald Lochard, Treasurer
747 Stratford Drive
Sidney, Ohio 45365

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 footed the *Statement of Political Party Restricted Fund Deposits* (Deposit Form 31-CC), filed for 2007. We noted no computational errors.
3. We compared bank deposits reflected in 2007 restricted fund bank statements to total deposits recorded in Deposit Form 31-CC 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 only two quarterly payments received from the State Tax Commissioner instead of the four quarterly payments to have been received pursuant to Ohio Rev. Code 3517.17(A). The Deposit Form 31-CC reported the sum of the two recorded payments.

Ohio Rev. Code Section 3517.17(A) states that each party treasurer receiving public moneys from the Ohio political party fund shall deposit those moneys into the party's restricted fund created under section 3517.1012. These monies are disbursed quarterly by the State Tax Commissioner.

During 2007, the Committee Treasurer deposited the first two quarterly payments into the restricted fund, but incorrectly deposited the last two quarterly payments into the central account, which is not restricted.

The Committee Treasurer moved the two 2007 quarterly payments erroneously posted to the central fund account to the restricted fund account on March 14, 2008.

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.
3. We agreed reconciling items appearing on the reconciliation to the check register. There was one check outstanding at December 31, 2007, and that check was still outstanding as of the date of our report. We determined that the dates and amounts on the documents support that the items were proper reconciling items and were recorded in the proper amount on the reconciliation as of December 31, 2007.

Cash Disbursements

1. We footed the *Statement of Political Party Restricted Fund Disbursements* (Disbursement Form 31-M), filed for 2007. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M 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 checks or other disbursements reflected in 2007 restricted fund bank statements to disbursement amounts reported on Disbursement Form 31-M filed for 2007. We found no discrepancies.
4. There was only one disbursement on Disbursement Form 31-M filed for 2007, and this check was still outstanding as of the date of our report.
5. 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.

6. There was only one check written during 2007 per review of the check ledger, and this check was still outstanding as of the date of our report; therefore, we could not compare the signature on the 2007 check to the list of authorized signatories the Committee provided to us. We also could not verify the endorsement to the payee listed on the check.
7. We scanned each 2007 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(X)(4) prohibits. We found no evidence of any transfers.
8. We compared the purpose of each disbursement listed on the 2007 Disbursement Form 31-M 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.

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

Mary Taylor, CPA
Auditor of State

March 14, 2008



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DEMOCRATIC PARTY

SHELBY 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**