



Mary Taylor, CPA
Auditor of State

**DEMOCRATIC POLITICAL PARTY
UNION COUNTY**

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Union County
238 Ottawa Watkins Road
Richwood, Ohio 43344

We have performed the procedures enumerated below, to which the Union County 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. The Committee did not file the required Form 31-CC, rather they filed the *Statement of Contributions Received* (Form 31-A). We footed the *Statement of Contributions Received* (Form 31-A), filed for 2007. We noted no computational errors.

Ohio Rev. Code Section 3517.17 requires a political party to 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 the secretary of state shall prescribe the form for all statements required to be filed under this section. As prescribed by the Ohio Secretary of State, the Committee is required to use the *Statement of Political Party Restricted Fund Deposits* (Deposit Form 31-CC revised 3/05) to report all receipts from the Ohio Political Party Fund. This form should be used to file future annual reports.

3. We compared bank deposits reflected in 2007 restricted fund bank statements to total deposits recorded in Deposit Form 31-A filed for 2007. The bank deposit amounts agreed to the deposits recorded in the Form 31-A.

Cash Receipts (Continued)

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). 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.

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. The Committee did not file the required Form 31-M, rather they filed the *Statement of Expenditures* (Form 31-B). We footed the *Statement of Expenditures* (Form 31-B), filed for 2007. We noted no computational errors.

Ohio Rev. Code Section 3517.17 requires a political party to report all public moneys expended from its restricted fund. Ohio Rev. Code Section 3517.10 (C) (6) (b) states the secretary of state shall prescribe the form for all statements required to be filed under this section. As prescribed by the Ohio Secretary of State, the Committee is required to use the *Statement of Political Party Restricted Fund Disbursements* (Disbursement Form 31-M) to report all expenditures from the restricted fund. This form should be used to file future annual reports.

2. Per Ohio Rev. Code 3517.13 (X) (1), we scanned 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 evidence of prohibited transfers.
3. We compared the amounts on checks or other disbursements reflected in 2007 restricted fund bank statements to disbursements amounts reported on Form 31-B filed for 2007. We found no discrepancies.
4. For each disbursement on Form 31-B filed for 2007, we traced the payee and amount to payee invoice and to the payee's name on canceled checks. The payees and amounts recorded on Form 31-B agreed to the payees and amounts on the canceled checks and invoices.
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.

Cash Disbursements (Continued)

6. We compared the signature on 2007 checks to the list of authorized signatories the Committee provided to us. The signatory on all checks we selected was an approved signatory. We compared the endorsement to the payee listed on the check without exception.
7. 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.
8. We compared the purposes of each disbursement listed on 2007 Form 31-B to the purpose listed on the vendor invoice and to the purpose Ohio Rev. Code Section 3517.18 permits. We found no instances where the purposes 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

June 18, 2008



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY

UNION 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
JULY 15, 2008**