



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY
HENRY COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Henry County
1025 North Sheffield
Napoleon, Ohio 43545

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* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2007. We noted no computational errors.
3. We compared the bank deposits reflected in 2007 restricted fund bank statements to the total deposits recorded on Deposit Form 31-CC filed for 2007. There were two bank deposits in 2007. One bank deposit amount agreed to the deposit recorded on the Form; however a bank deposit in the amount of \$0.25 was not recorded on Deposit Form 31-CC. This bank deposit was mistakenly recorded on the Committee's 2006 Ohio Campaign Finance Report (Form 30-A).

Cash Receipts – (Continued)

4. We scanned the Committee's 2007 bank statements and noted they reflected only two quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Form 31-CC reported one of these two payments without exception. The other payment in the amount of \$0.25 was mistakenly recorded on the Committee's 2006 Ohio Campaign Finance Report (Form 30-A). The other two quarterly payments in the amounts of \$67.98 and \$25.88 were not remitted to the Committee by the Ohio Office of Budget and Management (OBM) because the Committee had never submitted an IRS Form W-9 and Vendor Information Form (OBM-3456-(Rev. 05/2007) to OBM.

We informed the Committee they should submit Form W-9 and the Vendor Information Form to OBM to ensure the Committee receives future distributions to which it is entitled. Further, we recommended the Committee seek reimbursement for the accumulated \$93.86 in unpaid 2007 distributions.

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 canceled checks, deposit slips. There were no reconciling items as of December 31, 2007.

Cash Disbursements

1. We footed the *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), filed for 2007. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned the 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 evidence of one prohibited transfer in the amount of \$150.00 that was made from the restricted fund to the Henry County Democratic Central Committee General Account. This was done to allow the Party to issue a payment to the Henry County Agricultural Society, an allowable disbursement of restricted funds.
3. We compared the amount of the other disbursement reflected in the 2007 restricted fund bank statement to the disbursement amount reported on Disbursement Form 31-M filed for 2007. We found no discrepancies.

Cash Disbursements – (Continued)

4. For the disbursement on Disbursement Form 31-M filed for 2007, we traced the payee and amount to a payee invoice and to the payee's name on the canceled check. The amount of \$150.00 recorded on Disbursement Form 31-M agreed to the amount on the cancelled check and invoice; however, the name of the payee on Disbursement Form 31-M did not correspond to the cancelled check and the name on the invoice. The payee on Disbursement Form 31-M was the Henry County Democratic Central Committee. The name on the invoice and cancelled check was the Henry County Agricultural Society.
5. We scanned the payee for the 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 the restricted fund disbursement represented a contribution or campaign-related disbursement.
6. We attempted to compare the signature on the 2007 check to the list of authorized signatories the Committee provided to us. The disbursement made in 2007 was by way of bank transfer from the restricted fund to the Henry County Democratic Central Committee General Account. No check was issued that required certification by the signatory.
7. We scanned the 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 the disbursement listed on 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 instance 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.



Mary Taylor, CPA
Auditor of State

April 8, 2008



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY

HENRY 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 24, 2008**