



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
P.O. Box 182
Wooster, Ohio 44691

We have performed the procedures enumerated below, to which the Wayne 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, 2008. 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 attempted to foot each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2008. However, the *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (deposit Form 31-CC) was not filed for 2008. Therefore, we footed each *Statement of Contributions Received* (Form 31-A), filed for 2008 instead. 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.

The Committee used an outdated *Statement of Contributions Received (Form 31-A)* revised 3/05 to report receipts from the Ohio Political Party. The Committee should use the latest *Statement of Political Party Restricted Fund Deposits Form* (Deposit Form 31-CC revised 3/05) to report receipts from the Ohio Political Party.

3. We attempted to compare bank deposits reflected in 2008 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2008. However, as noted in Step 2 above, the *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC) was not filed for 2008. Therefore, we compared bank deposits reflected in 2008 restricted fund bank statements to total deposits recorded in the *Statement of Contributions Received* (Forms 31-A), filed for 2008 instead. The bank deposit amounts agreed to the deposits recorded in the Form.

Cash Receipts (Continued)

4. We scanned the Committee's 2008 bank statements and noted they reflected four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). We attempted to confirm amounts received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A), and agree them to amounts shown on Deposit Forms 31-CC filed for 2008. However, as noted in Step 2 above, the *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC) was not filed for 2008. Therefore, we confirmed amounts received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A), and agreed them to amounts shown on *Statement of Contributions Received* (Forms 31-A), filed for 2008 instead. We found no exceptions.
5. We scanned other recorded 2008 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, 2008 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, 2008. The balances agreed.
3. There were no reconciling items appearing on the reconciliation as of December 31, 2008.

Cash Disbursements

1. We attempted to foot each *Statement of Political Party Restricted Fund Disbursements* (Form 31-M), filed for 2008. However, the *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Form 31-M) was not filed for 2008. Therefore, we footed each *Statement of Expenditures* (Form 31-B), filed for 2008 instead. We found no computational errors.

Ohio Rev. Code Section 3517.17 states that a political party shall file disbursement statements as required by division (B) of section 3517.1012 of the Revised Code. 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. Therefore, the Committee is required to use the *Statement of Political Party Restricted Fund Disbursements* form (Form 31-M) for reporting expenditures.

The Committee should use the *Statement of Political Party Restricted Fund Disbursements* form (Form 31-M) for reporting expenditures from the restricted fund.

2. Per Ohio Rev. Code 3517.13(X)(1), we attempted to scan Disbursement Form 31-M filed for 2008. However, as noted in Step 1 above the *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Form 31-M) was not filed for 2008. Therefore, we scanned the *Statement of Expenditure* (Form 31-B) 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.

Cash Disbursements (Continued)

3. We attempted to compare the amounts on checks or other disbursements reflected in 2008 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-M filed for 2008. However, as noted in Step 1 above the *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Form 31-M) was not filed for 2008. Therefore, we compared the amounts on checks or other disbursements reflected in 2008 restricted fund bank statements to disbursement amounts reported on the *Statement of Expenditures* (Form 31-B). We found no discrepancies.
4. For each disbursement on Disbursement Forms 31-M filed for 2008, we attempted to trace the payee and amount to payee invoices and to the payee's name on canceled checks. However, as noted in Step 1 above the *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Form 31-M) was not filed for 2008. Therefore, for each disbursement on Disbursement Forms 31-B filed for 2008 we traced the payee and amount to payee invoices and to the payee's name on canceled checks. The payees and amounts recorded on Disbursement Forms 31-B agreed to the payees and amounts on the canceled checks and invoices.
5. We scanned the payee for each 2008 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. We compared the signature on 2008 checks to the list dated July 26, 2003 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 attempted to scan each 2008 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. However, as noted in Step 1 above the *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Form 31-M) was not filed for 2008. Therefore, we scanned each 2008 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 attempted to compare the purpose of each disbursement listed on 2008 Disbursement Forms 31-M to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. However, as noted in Step 1 above the *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Form 31-M) was not filed for 2008. Therefore, we compared the purpose of each disbursement listed on 2008 Disbursement Forms 31-B 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.

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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 2008, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

April 30, 2009



Mary Taylor, CPA
Auditor of State

DEMOCRATIC PARTY

WAYNE 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
JUNE 11, 2009