



**DEMOCRATIC POLITICAL PARTY  
KNOX COUNTY**

**AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED DECEMBER 31, 2009**



**Mary Taylor, CPA**  
Auditor of State



**DEMOCRATIC POLITICAL PARTY  
KNOX COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio  
Democratic Executive Committee  
Knox County  
203 North Division Street  
Mount Vernon, OH 43050

We have performed the procedures enumerated below, to which the Knox 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, 2009. 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 and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. 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 2009. The Committee did not file the required Form 31-CC, rather they filed the *Statement of Other Income* (Form 31-A-2). Therefore, we footed the Statement of Other Income (Form 31-A-2), filed for 2009. We noted no computational errors.

Ohio Rev. Code Section 3517.17 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* (Form 31-CC) to report all receipts from the Ohio Political Party Fund

The Committee used Statement of Other Income (Form 31-A-2) to report receipts to the Ohio Political Party. The Committee should use the latest Deposit Form 31-CC to report receipts to the Ohio Political Party.

3. We attempted to compare bank deposits reflected in 2009 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2009. However, as noted in Step 2 above, the Statement of Political Party Restricted Fund Deposits Ohio Rev. Code Section 3517.17 requires (Form 31-CC) was not filed for 2009. Therefore we compared bank deposits reflected in 2009 restricted fund bank statements to total deposits recorded in Statement of Contributions Received (Form 31-A) and Statement of Other Income (Form 31-A-2), filed for 2009. The bank deposit amounts agreed to the deposits recorded in the Form.

### **Cash Receipts (Continued)**

4. We scanned the Committee's 2009 bank statements and noted they did not reflect quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Statement of Other Income (Form 31-A-2) reported four quarterly payments for 2008 and the first quarter for 2009. The last three quarterly payments for 2009 were not received.
5. We scanned other recorded 2009 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, 2009 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, 2009. The balances agreed.

### **Cash Disbursements**

1. We requested copies of each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), filed for 2009. The Committee did not file the required Form 31-M, rather they filed the *Statement of Expenditures* (Form 31-B). Therefore we footed the Statement of Expenditures (Form 31-B) filed for 2009. We noted no computational errors.

Ohio Rev. Code Section 3517.17 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 Disbursement Form 31-M to report all expenditures from the Ohio Political Party Fund.

The Committee used Statement of Expenditures (Form 31-B) to report expenditures from the Ohio Political Party. The Committee should use the latest Disbursement Form 31-M to report expenditures from the Ohio Political Party.

2. We scanned Statement of Expenditures (Form 31-B) filed for 2009 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 amount on checks reflected in 2009 restricted fund bank statements to disbursement amounts reported on Statement of Expenditures (Form 31-B) filed for 2009. We found no discrepancies.
4. For the individual disbursements listed on Statement of Expenditures (Form 31-B) filed for 2009, we traced the payee and amount to the payee invoice and to the payee's name on cashier's check. The payee and amount recorded on Statement of Expenditures (Form 31-B) agreed to the payee and amount on the cashier's checks and invoices.

**Cash Disbursements (Continued)**

5. We scanned the payee for the 2009 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 signatures on 2009 checks to the list of authorized signatories the Committee provided to us. The only disbursements were cashier's checks to the Knox County Fair. The cashier's checks are signed by a bank employee.
7. We scanned the 2009 restricted fund disbursements recorded on Statement of Expenditures (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 purpose of the disbursements listed on 2009 Statement of Expenditures (Form 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.

We were not engaged to, and did not examine each *Statement of Other Income* and *Statement of Expenditures* filed for 2009, 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

March 1, 2010







**Mary Taylor, CPA**  
Auditor of State

**DEMOCRATIC PARTY**

**KNOX 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 13, 2010**