



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

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

Secretary of State of Ohio  
Democratic Executive Committee  
PO Box 464  
Xenia, Ohio 45385

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, 2011. 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 footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Annual and Semi-Annual electronically filed report), filed for 2011. We noted no computational errors.
3. We compared bank deposits reflected in 2011 restricted fund bank statements to total deposits recorded in the Annual and Semi-Annual receipt reports filed for 2011. The bank deposit amounts agreed to the deposits recorded in the Forms.
4. We scanned the Committee's 2011 bank statements and noted they reflected four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Annual and Semi-Annual receipt reports reported the sum of these four payments without exception.
5. We scanned other recorded 2011 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. The Committee did not prepare the December 31, 2011 reconciliations for the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A). The Committee should reconcile monthly. This would allow the Committee to find any bank or posting errors and reduce the likelihood of fraud or theft going unnoticed.

### **Cash Disbursements**

1. We footed each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Annual and Semi Annual Disbursement reports electronically filed), filed for 2011. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned the Annual and Semi Annual Disbursement reports electronically filed for 2011 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 2011 restricted fund bank statements to disbursement amounts reported on the Annual and Semi Annual Disbursement reports electronically filed for 2011. The Committee reported one 2010 check in the amount of \$440 that was dated 12/28/10 in the Semi-Annual report for 2011. The Committee should report expenditures in the year the checks were issued. Outstanding checks should be reported as reconciling items on the bank statement.
4. For each disbursement on Annual and Semi Annual Disbursement reports electronically filed for 2011, we traced the payee and amount to payee invoices and to the payee's name on canceled checks. The payees and amounts recorded on Annual and Semi Annual Disbursement reports electronically filed agreed to the payees and amounts on the canceled checks and invoices. The following disbursement did not have supporting documentation attached, such as an invoice, to support its allowability: Check 1359 dated July 6, 2011 in the amount of \$95 for monthly phone bill. The committee should maintain all supporting documentation for all checks that are issued.
5. We scanned the payee for each 2011 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 2011 checks to the list dated June 7, 2010 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 2011 restricted fund disbursement recorded on the Annual and Semi Annual Disbursement reports electronically filed for 2011 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 we selected in step 4 above listed on 2011 the Annual and Semi Annual Disbursement reports electronically filed 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.

Officials' Response: We will ensure exceptions are corrected next year.

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 2011, 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 "Dave Yost". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

**Dave Yost**  
Auditor of State

March 19, 2012

**This page intentionally left blank.**



# Dave Yost • Auditor of State

**GREENE DEMOCRATIC PARTY**

**GREENE 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 10, 2012**