



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Democratic Executive Committee
Montgomery County
131 South Wilkinson Street
Dayton, Ohio 45402

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 (Deposit Form 31-A and Form 31-A-2), 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 Deposit Forms 31-A and Forms 31-A-2 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 Deposit Forms 31-A and Forms 31-A-2 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 (Disbursement Form 31-B), filed for 2011. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-B 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 Disbursement Forms 31-B filed for 2011. The Bank disbursement amounts were \$361 less than the disbursements reported on Form 31-B. The Executive Committee should reconcile monthly and verify that the bank agrees to the Committee's records. This would provide for proper reporting of the Committee's activities to the Secretary of State and the Board of Elections.
4. We haphazardly selected 30 disbursement transactions on Disbursement Forms 31-M 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 Disbursement Forms 31-M agreed to the payees and amounts on the canceled checks and invoices. We noted the following disbursements which did not have supporting documentation attached, such as an invoice, to support its allowability: check numbers 3708, 3758, and 3811 all issued to Bob Greene for cleaning services in the amount of \$35 each; check 3681 to GFS for Supplies in amount of \$66; check 3697 to Donet for Monthly services in amount of \$78, check 3715 to Marcus Graham in amount of \$150 for Hall rental deposit return, check 3729 to Gen Murphy in amount of \$882 for Executive Director salary, Check 3740 to Postmaster in amount of \$224 for postage, Check 3550 to Robert Yeane in the amount of \$133 for Supplies Reimbursement, check 3761 to Tameka Edwards in amount of \$150 for hall rental deposit return, check 3764 to Alica Wright in amount of \$125 for Deposit refund, and check 3792 to Mary Kuehne in amount of \$140 for Supplies Reimbursement. The Committee should approve a salary schedule for all employees and maintain documentation for all other expenses. Because we did not test all disbursements, there may be other instances where this occurred. The Committee should implement procedures to maintain supporting documentation for all payments.
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 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 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 we selected in step 4 above listed on 2011 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.

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.

Dave Yost
Auditor of State

March 20, 2012

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MONTGOMERY COUNTY DEMOCRATIC PARTY

MONTGOMERY 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 17, 2012**