



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Democratic Party
Lorain County
Agreed-Upon Procedures
For the Year Ended December 31, 2013



Dave Yost • Auditor of State

Executive Committee
Lorain County Democratic Party
2017 North Ridge Road East, Suite A
Lorain, Ohio 44055

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Lorain County Democratic Party, Lorain County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Lorain County Democratic Party is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 13, 2014

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Lorain County
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Independent Accountants' Report on Applying Agreed-Upon Procedures

May 28, 2014

Secretary of State of Ohio
Democratic Executive Committee
Lorain County
2017 North Ridge Road East, Suite A
Lorain, Ohio 44055

We have performed the procedures enumerated below, with 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, 2013. The Committee is responsible for complying with these requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards 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-CC), filed for 2013. We noted no computational errors.
3. We compared bank deposits reflected in 2013 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2013. The bank deposit amount agreed for one deposit recorded in the Deposit Form 31-CC, which was a payment from the State Tax Commissioner made to the Committee in January of 2014 in the amount of \$50.31, but did not agree to the remaining deposits recorded in the Form.
4. We scanned the Committee's 2013 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 Form 31-CC did not report four payments in the amount of \$47.94, \$685.73, \$784.29, and \$31.59, respectively.

5. We scanned other recorded 2013 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 noted that the Committee did not reconcile the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A).

Cash Disbursements

1. We noted the Committee did not file the *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M) for 2013.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned the bank statements for the restricted fund for 2013 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 haphazardly selected 5 disbursement transactions listed in the restricted fund bank statements for 2013, 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.
4. We scanned the payee for each 2013 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.
5. We compared the signature on 2013 checks to the list dated May 19, 2014 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.
6. We scanned each 2013 restricted fund disbursement listed on the restricted fund bank statements for evidence that it represented a transfer from the restricted fund to any other state or county political party, which Ohio Rev. Code 3517.13(X)(4) prohibits. We found no evidence of any transfers.

7. We compared the purpose of the disbursements we selected in step 3 above listed on the 2013 restricted fund bank statements 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 2013, 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 other than these specified parties.

Balestra, Harr & Scherer, CPAs

Balestra, Harr, & Scherer CPAs, Inc.
Worthington, Ohio
May 28, 2014



Dave Yost • Auditor of State

LORAIN COUNTY DEMOCRATIC PARTY

LORAIN 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 26, 2014