

MONTGOMERY COUNTY DEMOCRATIC PARTY

MONTGOMERY COUNTY

**JANUARY 1, 2013 TO DECEMBER 31, 2013
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Executive Committee
Montgomery County Democratic Party
131 South Wilkinson Street
Dayton, Ohio 45402

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedure* of the Montgomery County Democratic Party, Montgomery County, prepared by Julian & Grube, 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 Montgomery County Democratic Party is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

April 18, 2014

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Julian & Grube, Inc.

Serving Ohio Local Governments

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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, OH 45402

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. The Committee informed us they did use this fund for all such gifts.
2. We did not foot each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code 3517.17 requires (Deposit Form 31-CC), as it was not filed for 2013. We footed each *Statement of Contributions Received* (Form 31-A), which was filed for 2013. 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 Sections 3517.10 (C) (6) (b) indicates 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) to report receipts from the Ohio Political Party. The Committee should use the latest *Statement of Political Party Restricted Fund Deposits* form (Form 31-CC) to report receipts from the Ohio Political Party.

3. We did not compare bank deposits reflected in 2013 restricted fund bank statements to total deposits recorded in Deposit Form 31-CC, as it was not filed for 2013. We compared each *Statement of Contributions Received* (Form 31-A), which was filed for 2013. The bank deposit amounts agreed to the deposits recorded in the Form 31-A.

Cash Receipts - (Continued)

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 *Statement of Contributions Received* (Form 31-A) reported the sum of these four payments without exception.
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. The Committee did not prepare the December 31, 2013 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 did not foot each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code 3517.17 requires as it was not filed for 2013. We footed a detailed disbursement ledger, which was filed for 2013. We noted no computational errors.

Ohio Rev. Code Section 3517.17 indicates 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 Disbursements* (Deposit Form 31-M revised 3/05) to report all expenditures from the Ohio Political Party Fund.

2. Per Ohio Rev. Code 3517.13(X)(1), we did not scan Disbursement Form 31-M, which was not filed 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 and expenditures may be made. We scanned a detailed disbursement ledger, which was filed 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 did not compare the amounts on checks or other disbursements reflected in 2013 restricted fund bank statements to disbursement amounts reported on Disbursement Form 31-M, which was not filed for 2013. We haphazardly selected 19 disbursement transactions from the detailed disbursement ledger and compared the amounts on the checks or other disbursements reflected in the 2013 restricted fund bank statements to disbursements amounts reported on a detailed disbursement ledger filed for 2013. We found no discrepancies.
4. For each disbursement on Disbursement Form 31-M filed for 2013, we did not trace the payee and amount to payee invoices and to the payee's name on cancelled checks as it was not filed for 2013. We haphazardly selected 19 disbursements on Disbursement Forms 31-B filed for 2013, we traced the payee and amount to payee invoices and to the payee's name on cancelled checks. The payees and amounts recorded on the Disbursement Forms 31-B agreed to the payees and amounts on the cancelled checks and invoices.

Cash Disbursements - (Continued)

5. 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.
6. We compared the signature on 2013 checks to the list dated 2013 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 did not scan each 2013 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, as it was not filed for 2013. We scanned each 2013 restricted fund disbursement recorded on a detailed disbursement ledger, which was filed for 2013, 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 did not compare the purpose of each disbursement listed on 2013 Disbursement Form 31-M to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits as it was not filed for 2013. We compared the purpose of the disbursements we selected in step 3 above listed on a detailed disbursement ledger filed for 2013 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 Montgomery County Democratic Executive Committee and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
March 21, 2014

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Dave Yost • Auditor of State

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
MAY 8, 2014**