



Mary Taylor, CPA  
Auditor of State





# Mary Taylor, CPA

Auditor of State

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

Secretary of State of Ohio  
Democratic Party Executive Committee  
Montgomery County  
Mark Owens, Chairman  
131 South Wilkinson Street  
Dayton, OH 45402

We have performed the procedures enumerated below, to which the Democratic Executive Committee of Montgomery County (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, 2007. The Committee is responsible for complying with these requirements. We will follow the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements. 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. They informed us they did use this fund for all such gifts.
2. We footed the *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for January 1, 2007 through June 30, 2007 and the spreadsheet of all revenues, filed for July 1, 2007 through December 31, 2007. We noted no computational errors.

Ohio Rev. Code Section 3517.17 requires that a political party deposit into its restricted fund all public moneys received from the Ohio Political Party Fund. Ohio Rev. Code Section 3517.10(C)(6)(b) requires the Secretary of State to prescribe the form for all statements required to be filed under this section. The Secretary of State's office prescribes the *Statement of Political Party Restricted Fund Deposits Form* (Deposit Form 31-CC) to report all receipts from the Ohio Political Party Fund. The Committee filed a spreadsheet of revenues in lieu of Form 31-CC for the period of July 1, 2007 through December 31, 2007.

3. We compared bank deposits reflected in 2007 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for January 1, 2007 through June 30, 2007 and the spreadsheet of all revenues filed for July 1, 2007 through December 31, 2007. No discrepancies were noted for the 31-CC form. The bank deposit amounts were \$28,372 more than the deposits reported on the spreadsheet of revenues.
  - The Committee did not include \$11,802 of contributions/gifts that occurred from July 1, 2007 through September 19, 2007.
  - The Committee did not include \$16,570 of transfers in from the Political Fund that occurred from July 1, 2007 through December 31, 2007.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402  
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688  
www.auditor.state.oh.us

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

We also found that the Committee did not report \$150 in other revenue from an outstanding check that was voided from the previous reporting period.

4. We scanned the Committee's 2007 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-CC and the spreadsheet of all revenues reported the sum of three of the four payments, however, one of the payments was not reported and is included in the variance reported in number 3 above.
5. We scanned other recorded 2007 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.
6. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-CC electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed Forms 31-CC submitted for January 1, 2007 through June 30, 2007 on the Secretary of State's website. The Committee received contributions from a labor organization in October 2007; however, the Committee did not submit this report for July 1, 2007 through December 31, 2007.

### **Cash Reconciliation**

1. We recomputed the mathematical accuracy of the December 31, 2007 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, 2007. The balances agreed.
3. We agreed reconciling items appearing on the reconciliation to canceled checks and supporting documentation. We determined that the dates and amounts on those documents support that those items were proper reconciling items and were recorded in the proper amount on the reconciliation as of December 31, 2007.

### **Cash Disbursements**

1. We footed each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M), filed for January 1, 2007 through June 30, 2007 and the spreadsheet of all disbursements, filed for July 1, 2007 through December 31, 2007. We noted no computational errors.

Ohio Rev. Code Section 3517.17 requires that a political party to file disbursement statements as required by division (B) of section 3517.1012 of the Revised Code. Ohio Rev. Code Section 3517.10(C)(6)(b) requires the Secretary of State shall prescribe the form for all statements required to be filed under this section. The Secretary of State's office prescribes the *Statement of Political Party Restricted Fund Disbursements* from (Disbursement Form 31-M) for reporting expenditures. The Committee filed spreadsheet of all disbursements in lieu of Form 31-M for the period of July 1, 2007 through December 31, 2007.

2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M and spreadsheet of all disbursements filed for 2007 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.

**Cash Disbursements (Continued)**

3. We compared the amounts on checks or other disbursements reflected in 2007 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-M filed for January 1, 2007 through June 30, 2007 and the spreadsheet of all disbursements filed for July 1, 2007 through December 31, 2007. No discrepancies were noted for the 31-M form. However, the bank disbursements were \$22,493 more than the disbursements recorded in the spreadsheet of disbursements.
  - The spreadsheet of all disbursements filed for July 1, 2007 through December 31, 2007 reported \$2,021 of disbursements from the Committee's Building Fund, check #1009 and #1010. The spreadsheet should not report Building Fund disbursements.
  - The spreadsheet of all disbursements filed for July 1, 2007 through December 31, 2007 reported \$27 of disbursements from the Committee's Political Fund, a debit card transaction on December 5, 2007. The spreadsheet should not report Political Fund Disbursements.
  - The spreadsheet of all disbursements filed for July 1, 2007 through December 31, 2007 did not report \$24,541 of disbursements from the Restricted Fund that occurred from July 1, 2007 through September 24, 2007, as evidenced by the bank statements and check register.
4. For each disbursement on Disbursement Forms 31-M filed for January 1, 2007 through June 30, 2007 and the spreadsheet of all disbursements filed for July 1, 2007 through December 31, 2007, 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 Form 31-M and the spreadsheet agreed to the payees and amounts on the canceled checks and invoices.
5. We scanned the payee for each 2007 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 all 2007 checks to the lists dated September 27, 2005 and June 5, 2007 of authorized signatories the Committee provided to us. The signatory on all checks was an approved signatory. We compared the endorsement to the payee listed on the check without exception.
7. We scanned each 2007 restricted fund disbursement recorded on Form 31-M and the spreadsheet of disbursements 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 each disbursement listed on 2007 Disbursement Form 31-M and the spreadsheet of disbursements to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. We found two instances where the purpose described on the invoice was not an allowable expenditure pursuant to Ohio Rev. Code Section 3517.18.
  - Check #2852 for \$450 was paid to the Dayton Pride Partnership for ten tickets to annual Pride Dinner held on June 1, 2007.
  - Check #2868 for \$80 was paid to the AFL-CIO Regional Labor Council for ten tickets for the fish fry / Monte Carlo fundraiser.
9. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-M electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed Forms 31-M submitted for January 1, 2007 through June 30, 2007 on the Secretary of State's website. The Committee did not submit their report for July 1, 2007 through December 31, 2007 even though they received contribution from a labor organization in October 2007.

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 2007, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

April 8, 2008



**Mary Taylor, CPA**  
Auditor of State

**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 22, 2008**