

MONTGOMERY COUNTY DEMOCRATIC PARTY

MONTGOMERY COUNTY

**JANUARY 1, 2014 TO DECEMBER 31, 2014
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Montgomery County Democratic Party prepared by Julian & Grube, Inc., for the period January 1, 2014 through December 31, 2014. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

April 13, 2015

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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, 2014. 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 footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code 3517.17 requires (Deposit Form 31-CC), filed for 2014. We noted no computational errors.
3. We compared bank deposits reflected in 2014 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2014. The bank deposit amounts agreed to the deposits recorded in the Forms.
4. We scanned the Committee's 2014 bank statements and noted they did not reflect four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The bank statements did not reflect two payments in the amounts of \$1,466.93 and \$172.66. Additionally, the Deposit Forms 31-CC did not report the same two payments.
5. We scanned other recorded 2014 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. The Committee received membership fees from certain labor organizations and did not file 31-CC forms electronically as required. We recommend the Committee file electronically when required.

Cash Reconciliation

1. The Committee did not prepare the December 31, 2014 reconciliations for the bank account used for restricted receipts and disbursements pursuant to Ohio Rev. Code Section 3517.1012(A). While the Committee did provide a check register listing certain balances, deposits and receipts, there was not a reconciliation to the bank balances. 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 3517.17 requires (Disbursement From 31-M) filed for 2014. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M, filed for 2014, 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.
3. We compared the amounts on checks or other disbursements reflected in 2014 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-M, filed for 2014. Bank statements reflected total disbursements of \$29,294.09, while 31-M Forms reflected total disbursements of \$29,234.09, a discrepancy of \$60.
4. We haphazardly selected fifteen disbursements on Disbursement Forms 31-M filed for 2014; 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-M agreed to the payees and amounts on the cancelled checks and invoices except for three disbursements selected to an individual for building cleaning services. The three disbursements selected totaled \$120 and the Committee indicated there were no formal invoices for this contractor.
5. We scanned the payee for each 2014 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 2014 checks to the list dated 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.
7. We scanned each 2014 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. We found no evidence of any transfers.
8. We compared the purpose of the disbursements we selected in step 3 above listed on 2014 Disbursement Forms 31-M to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18. We found no instances where the purpose described on the invoice violated the restrictions of Ohio Rev. Code Section 3517.18.
9. Ohio Rev. Code 3517.1012 requires the Party to file Form 31-M electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. The Party did not file Forms 31-M electronically for 2014, as required. We recommend the Committee file electronically when required.

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 2014, 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.





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 7, 2015**