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Pre-General 2012 Report-as amended March 21, 2013 and June 25, 2013

Explanation of changes made:

As this was our first election cycle, Friends of Democracy retained an accountant to conduct a full audit of our 2012 financial activity and to reconcile, if necessary, disbursements and receipts against bank statements and invoices. This process revealed some administrative errors that led to mistakes in our reporting, so we undertook filing amended reports as necessary to accurately reflect all transactions for the year.

Two donations totaling \$190,000 were reported on the 30-day post-general election report instead of on the 12-day pre-general election report due to data entry errors. One donation of \$140,000 was received by the committee via electronic funds transfer on October 12, 2012 (according to a review of bank statements). That contribution was mistakenly manually entered into our database as being received on October 18, 2012. Bank records also identify the correct date of \$50,000 received via electronic funds transfer on October 15, 2012, rather than the October 18, 2012 date initially reported. We believe that in both cases the mistake arose because the third party software assumed the contribution date was the same as the data entry date. Failure to adjust the date field manually at the time led to the contributions being coded as received in a different period and unintentionally omitted from the pre-election report. Both contributions were initially reported on the post-general election report, and both were accurately reported on the amended pre-election report filed March 31, 2013. (It should be noted that we have since set up automatic notifications with our online banking when we have received transfers.)

A third receipt, an in-kind contribution in the amount of \$5,125, had been inadvertently omitted from the original filing, although the corresponding in-kind disbursement was reported. Our amended report of March 21, 2013 included this in-kind receipt, but miscoded it as a contribution to our contributions account instead of our independent expenditure account. Our amended report of June 25, 2013 corrects this error.

As referenced above, these errors were identified and corrected voluntarily by the committee as the result of a comprehensive review of all financial activities in what was our first year. We are confident that the discrepancies between initial reports and amended ones have been addressed. A new data entry and accounting system is in place for the current cycle. That system includes new staff who are fully trained and familiar with the filing software as well as an accountant on retainer to ensure that we adhere to best-standard record-keeping and financial practices.