



**Auditor of State
Betty Montgomery**



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Executive Committee
63 ½ East Main Street
Xenia, Ohio 45385

To the Executive Committee:

We have performed the procedures enumerated below, to which the Republican Executive Committee (the Committee) agreed, solely to assist the Committee in evaluating its compliance with Ohio Rev. Code Sections 3517.1012, 3517.17, and 3517.18, for the year ended December 31, 2005. The Committee's management is responsible for the Committee's compliance with those requirements. We followed 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 Executive 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 management whether they deposited all gifts from corporations and labor organizations into the same fund into which they deposit amounts received from the State Tax Commissioner. There were no gifts received during the fiscal year.
2. We footed the *Statement of Contributions Received* (Form 31-A) instead of the *Statement of Political Party Restricted Fund Deposits* that Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC) for the year ended December 31, 2005 due to the Treasurer using the incorrect form.
3. We traced each donor amount from Deposit Form 31-A to bank deposits without exception.
4. We confirmed amounts received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A), with the State of Ohio and agreed them to amounts shown on Deposit Form 31-A.

We found one exception where the bank denied the deposit of a State distribution check due to the check being deposited after the void date printed on the check.

Incorrect Reporting Forms

Ohio House Bill 1 (HB 1), effective March 31, 2005, changed the law regarding how county political parties must account for certain receipts and disbursements. Parties are now required to create a restricted fund, into which the Committee must deposit the check off funds and contributions from corporations and labor organizations. The Committee may opt to deposit all contributions into the fund. To accommodate this new law, the forms that the parties use for reporting their deposits and disbursements have changed. Deposits are now to be reported on form 31-CC, *Statement of Political Party Restricted Fund Deposits* and disbursements are to be reported on the revised form 31-M, *Statement of Political Party Restricted Fund Disbursements*.

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The Committee reported all of their restricted fund activity for FY 2005 on forms 31-A, *Statement of Contributions Received* and 31-M, *Expenditures from Political Party Fund Monies*. These are not the correct reporting forms required under HB 1.

State Fund Claim Re-Issuances

On September 27, 2005, the Committee filed two claims for re-issuance of voided warrants with the Ohio Department of Taxation. These claims were for State distribution checks issued during April, 2002 for \$887.12 which was never received and a State distribution check issued during January, 2005 for \$23.27 which was not accepted by the bank due to being deposited after the void date listed on the check.

As of the date of this report, the warrants have not been re-issued to the Committee, nor has the Committee had any follow-up contact with the Ohio Department of Taxation regarding the two claims files, since filing the claim forms during September, 2005.

Cash Reconciliation

1. We recomputed the mathematical accuracy of the reconciliation for the bank account used for deposits 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, 2005. The balances agreed.
3. There were no reconciling items as of December 31, 2005.

Cash Disbursements

1. We footed the *Expenditures from Political Party Fund Monies* (Form 31-M) instead of the *Statement of Political Party Restricted Fund Disbursements* that Ohio Rev. Code Section 3517.17 requires (Disbursement Form 31-M, revised), for the year ended December 31, 2005 due to the Treasurer using the incorrect form.
2. For each disbursement on Expenditure Form 31-M, we traced the amount to the amount charged on the bank statements as being deducted by the bank for bank services charges for the month.
3. We compared the purpose of each disbursement listed on Expenditure Form 31-B to the purpose listed on the vendor invoice.

We found no instances where the purpose described on the invoice was inconsistent with the description on Expenditure Form 31-M.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on compliance of the Ohio Campaign Finance Report. Accordingly, we do not express such 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 Executive Committee and is not intended to be and should not be used by anyone else.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 30, 2006



**Auditor of State
Betty Montgomery**

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REPUBLICAN PARTY

GREENE 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
JULY 25, 2006**