



Mary Taylor, CPA  
Auditor of State





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

Ohio Republican Party  
211 S. Fifth Street  
Columbus, Ohio 43215

We have performed the procedures enumerated below, to which the Ohio Republican Party (the Party) agreed, solely to assist the Party in evaluating its compliance with Ohio Rev. Code Sections 3517.1012, 3517.13, 3517.17, and 3517.18, for the year ended December 31, 2006. The Party is responsible for complying with these 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 Party. 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 with management to determine whether they deposit all gifts/only gifts from corporations and labor organizations into the same fund used to deposit amounts received from the State Tax Commissioner. Management informed us they only deposited gifts from corporations into the same fund used to deposit amounts received from the State Tax Commissioner during 2006. They received no gifts from labor organizations during 2006.
2. We footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires filed for 2006, and agreed the total deposits to the Ohio Campaign Finance Report (OCFR, Form 30-A). The deposits were to be reported on Deposit Form 31-CC. We noted no computational errors.
3. We compared bank deposits reflected in 2006 Restricted Fund bank statements to total deposits recorded on the Deposit Forms 31-CC filed in 2006. We found no exceptions.
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-CC filed in 2006. We noted no exceptions as the result of these procedures. However, we did note the following with regard to funds received:
  - The Party received and deposited contributions from county parties. We identified three counties that transferred money to the Ohio Republican Party, totaling \$144. According to 3517.13 (X) (4) "no state or county political party shall transfer any moneys in the party's restricted fund to any other state or county political party." On June 29, 2006, the Ohio Republican Party returned the contributions to the respective counties – see Cash Disbursements step #7 below.
5. We scanned the recorded receipts for evidence that a corporation or labor organization exceeded the \$10,000 annual gift limit per Ohio Revised Code 3517.13(X)(3)(a) imposes. We did not identify any corporations or labor organizations that exceeded the gift limit.
6. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-CC electronically with the Secretary of State when the Party receives gifts from corporations or labor organizations. We viewed Forms 31-CC submitted for 2006 on the Secretary of State's website.

### Cash Reconciliation

1. We recomputed the mathematical accuracy of the December 31, 2006 reconciliation for the bank account(s) used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A). We noted no computational errors.
2. We agreed the bank balance on the reconciliation to the bank statement balance as of December 31, 2006. The balances agreed.
3. We agreed the book balance on the reconciliation to the Party's internal ledger and the OCFR (Form 30-A) as of December 31, 2006. The balances agreed.
4. We agreed reconciling items appearing on the reconciliation to canceled checks, deposit slips, or other appropriate documentation, without exception. We determined the dates recorded on those documents support that those items were proper reconciling items as of December 31, 2006.

### 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 2006, and agreed the total disbursements to the OCFR (Form 30-A). We noted no computational errors.
2. Per Ohio Revised Code 3517.13(X)(1), we scanned Disbursement Form 31-M 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. No such transfers were noted.
3. Using nonstatistical sampling, we selected 20 checks or other disbursements reflected in the 2006 Restricted Fund bank statement(s). We also selected four additional disbursements which were related to transactions included in the original sample which appeared unallowable based on testing in step #8 below, for a total of 24 disbursements tested. We compared the amounts to the disbursement amounts reported on Disbursement Forms 31-M filed for 2006. We noted no exceptions.
4. Using nonstatistical sampling, we selected 24 disbursements on Disbursement Form 31-M and traced the payee and amount to payee invoices and canceled checks. (See Cash Disbursement #3 above) The payees and amounts recorded on Disbursement Forms 31-M agreed to the payees and amounts on the canceled checks and invoices.
5. We scanned the payee for each disbursement recorded on Form 31-M for evidence that it might represent a contribution or campaign-related disbursement, both of which Ohio Rev. Code 3517.13(X)(2)(b) prohibit. No disbursements appeared to represent a contribution or campaign-related disbursement.
6. For the items selected in step 3, we compared the signature on the canceled check to the list of authorized signatories the Party 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 restricted fund disbursement recorded on Form 31-M for evidence that it represents a transfer from the restricted fund to any other state or county political party, which Ohio Rev. Code 3517(X)(4) prohibits. We noted no such transfers as the result of these procedures, except as noted below:
  - We identified seven payments (processed on June 29, 2006 and July 12, 2006), to five county political parties, totaling \$1,704. In accordance with Ohio Rev. Code 3517 (X) (4), no

state or county political party shall transfer any moneys in the party's restricted fund to any other state or county political party. We determined these payments were refunds to the counties who had inappropriately transferred funds to the State. Five of these payments, totaling \$1,560, were made as a result of prohibited contributions noted during the 2005 audit. The remaining \$144 related to contributions received during the current audit period.

8. For the items selected in step 3, we compared the purpose of the disbursements to the purpose listed on the vendor invoice and to the purposes permitted by Ohio Rev. Code Section 3517.18. We found no instances where the purpose described on the invoice was inconsistent with the purposes Ohio Rev. Code 3517.18 permits, except as noted below:

Of the 20 disbursements selected, six totaling \$3,910, did not clearly meet the criteria of allowable activities per ORC Section 3517.18.

- One disbursement related to the purchase of a vending machine totaling \$3,392. Three months after purchasing the vending machine, it was returned for a full refund; however, the funds were deposited into another account.
- Five disbursements related to the leasing and maintenance of a coffee machine totaling \$518.

On June 12, 2007, the Ohio Republican Party deposited \$3,910 into the Restricted Fund from another funding source as reimbursement for these expenditures.

In addition, during the period, the Party incurred 20 monthly bank service charges totaling \$1,116 for the Tax Check-off and Restricted Funds. We recommend management evaluate the possible alternatives to reduce the bank service charges.

9. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-M electronically with the Secretary of State when the Party receives gifts from corporations or labor organizations. We viewed Form 31-M submitted for 2006 on the Secretary of State's website.

We were not engaged to, and did not perform an examination, the objective of which would be to express an opinion on compliance for each *Statement of Political Party Restricted Fund Deposits* and *Statement of Political Party Restricted Fund Disbursements* filed for 2006. 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 Ohio Republican Party and is not intended to be and should not be used by anyone else.



**Mary Taylor, CPA**  
Auditor of State

June 20, 2007





**Mary Taylor, CPA**  
Auditor of State

**OHIO REPUBLICAN PARTY**

**FRANKLIN 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 26, 2007**