



Mary Taylor, CPA
Auditor of State

ADAMS COUNTY REPUBLICAN PARTY
ADAMS COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Executive Committee
75 Campground Rd.
Manchester, OH. 45144

We have performed the procedures enumerated below, to which the Republican Executive Committee, Adams County, Ohio (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, 2008. The Committee is responsible for complying with these requirements. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements 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. Management informed us they received no such gifts.
2. We scanned the Committee's 2008 bank statements and noted they did not receive any of the four quarterly payments from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). It was also noted, the Committee did not receive the payments due in July and October 2007. The Ohio Office of Management and Budget (OBM) informed auditors that effective July 1, 2007; they could not pay any entity unless the entity submitted an IRS Form W-9. The Committee should contact the OMB and file a W-9 and determine any other action required to receive the July and October 2007 payments and all four 2008 payments. Also, the Adams County Republican Party failed to file *Statement of Political Party Restricted Fund Deposits* (Deposit Form 31-CC) Ohio Rev. Code Section 3517.17 requires. The Committee received interest on their account which should have been recorded on Form 31-CC.
3. We scanned for other recorded 2008 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. No gifts were received in 2008 from a corporation or labor organization.

4. Per Ohio Rev. Code, Section 3517.11(A), we inquired with the Adams County Board of Elections if the Adams County Republican Party filed the statements required by section 3517.1012(B) of the Revised Code. The Adams County Republican Party did not file their required statements with their respective Board of Elections. We recommend that the Adams County Republican Party file the forms as required by the above statute.

Cash Reconciliation

1. We could not recompute the mathematical accuracy of the December 31, 2008 reconciliation for the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A). The Party did not complete bank reconciliation at December 31, 2008 or at any other time during 2008. We reviewed the bank statements from all months, added all interest payments to the prior year's ending balance and subtracted the one transfer made in 2008 from the restricted account. The amount we recalculated matched the December 31, 2008 bank statement balance.

Cash Disbursements

1. We found that the *Statement of Political Party Restricted Fund Disbursements* (Disbursement Form 31-M) which Ohio Rev. Code Section 3517.17 requires filed for 2008, was not completed at any time during the year. There was one cash disbursement which was a transfer from the restricted account to the operating account to pay for phone expenses. See citation at the end of this section.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned disbursements and noted one transfer from the restricted fund to another account. This account is the same account the Party uses to pay expenses as well as make campaign contributions; this is a violation of the Ohio Revised Code. The transfer was made to reimburse other party members for phone expenses; which were permissible expenses from the restricted account. See citation at the end of this section.
3. We compared the amount of the transfer reflected in 2008 restricted fund bank statement to the invoices that it related to. We found that the actual invoices came to \$399.98 which is \$.02 less than the transfer.
4. The Committee reimbursed one of their members for phone expenses with money from the restricted account. The amounts of the checks were identical to the amounts posted on the bills.
5. We scanned the payees for the 2008 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. No checks were written out of the restricted account.
7. We reviewed the transfer from the 2008 restricted fund 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 that the transfer was used for this purpose.
8. We compared the purpose of the transfer to the purposes Ohio Rev. Code Section 3517.18 permits. We found that while the expense would have been allowable under Ohio Rev. Code Section 3517.18 the transfer itself was not allowable under Ohio Rev. Code Section 3517.13(X)(1).

Per Ohio Rev. Code, Section 3517.11(4), we inquired with the Adams County Board of Elections if the Adams County Republican Party filed the statements required by section 3517.1012(B) of the Revised Code. The Adams County Republican Party did not file their required statements with their respective Board of Elections. We recommend that the Adams County Republican Party file the forms as required by the above statute.

Ohio Rev. Code, Section 3517.13(X)(1), states that no state or county political party shall transfer any monies from its restricted fund to any account of the political party into which contributions may be made or from which contributions or expenditures may be made. The Adams County Republican Party transferred \$400.00 from their restricted account to their operating account in 2008.

In accordance with the foregoing facts and pursuant to the Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Jimmy R. Thomas, Treasurer, Adams County Republican Party, in the amount of \$400.00 in favor of the political parties restricted fund of the Adams County Republican Party.

On July 29, 2009, the Committee transferred \$400.00 from the private party fund operating checking account to repay the Adams County Republican Party's restricted fund.

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 2008, 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 Republican Executive Committee and is not intended to be and should not be used by anyone else.



Mary Taylor, CPA
Auditor of State

July 15, 2009



Mary Taylor, CPA
Auditor of State

REPUBLICAN PARTY

ADAMS 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
SEPTEMBER 22, 2009