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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Executive Committee
Adams County
323 N. Market St.
West Union, Oh 45693

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, 2010. 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 footed each *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.1012(B) requires (Deposit Form 31-CC), filed for 2010, which was the semi-annual reporting. The annual report was not filed, however there was no additional activity that would have been reported. Also, the only receipt was interest earned, therefore the form 31-A-2, *Statement of Other Income* was used. We noted no computational errors.
3. We compared bank deposits reflected in 2010 restricted fund bank statements to total deposits recorded in Deposit Form 31-A-2 filed for 2010. The bank deposit amounts agreed to the deposits recorded in the Form.
4. We scanned the Committee's 2010 bank statements and noted they did not reflect any of the four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Committee should contact the Office of Budget and Management (OBM) and determine what action is required to receive these payments.
5. We scanned other recorded 2010 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.

Cash Reconciliation

1. The party did not complete a bank reconciliation at December 31, 2010. We could not recompute the mathematical accuracy of the December 31, 2010 reconciliation for the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A). We reviewed the bank statements added the interest payments and subtracted the one disbursement to the prior year's ending balance and it equaled the December 31, 2010 bank statement balance.

Cash Disbursements

1. We footed each *Statement of Political Party Restricted Fund Disbursements* Ohio Rev. Code Section 3517.18 and 3517.1012 requires (Disbursement Form 31-M), filed for 2010 which was the semi-annual reporting. The annual report was not filed, however there was no additional activity that would have been reported. We noted no computational errors.
2. Per Ohio Rev. Code, 3517.13(X)(1), we scanned Disbursement Form 31-M filed for 2010 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. We found no evidence of prohibited transfers.
3. We compared the amounts on checks or other disbursements reflected in 2010 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-M filed for 2010. We found no discrepancies.
4. For the disbursement on Disbursement Forms 31-M filed for 2010, we were unable to trace the payee and amount to payee invoices and to the payee's name on canceled checks because an invoice was not applicable and the bank did not provide images of the canceled check.
5. We scanned the payee for each 200X 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 were unable to compare the signature on the 2010 check to a list of authorized signatories because a list was not provided to us, however the chairperson verified the name of the new Treasurer. The signatory on the only check for 2010 equaled the name of the new Treasurer. We were unable to compare the endorsement to the payee listed on the check because the image of the canceled check was not available.
7. We scanned each 2010 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, 3517.13(X)(4) prohibits. We found no evidence of any transfers.

We compared the purpose of the only disbursement listed on 2010 Disbursement Forms 31-M to the purposes Ohio Rev. Code, Section 3517.18 permits. We found one exception: The Committee issued a counter check (#9999) for \$500 made payable to the Adams County Cattleman for a donation.

There was no evidence that the disbursement was for operating and maintenance costs for party headquarter, voter registration programs, administration of party fundraising drives, or over registration drives. As a result the disbursement was not for a purpose Ohio Revised Code Section 3517.18(A) permits.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28 a Finding for Recovery for public money illegally expended is hereby issued against the Adams County Republican Party in the amount of \$500, and in favor of the restricted funds of the Adams County Republican Party. On March 24, 2011, the Republican Party's local campaign fund reimbursed the restricted fund \$500 for the disbursement.

We did not receive a response from officials to the exceptions noted above.

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 2010, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

March 28, 2011

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ADAMS COUNTY 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
APRIL 14, 2011**