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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Executive Committee
Allen County
P.O. Box 1563
Lima, Ohio 45802

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 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, 2011. 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. They informed us they did use this fund for all such gifts.
2. We footed each *Annual and Semiannual Contributions Report* Ohio Rev. Code Section 3517.17 requires, electronically filed for 2011. We noted no computational errors.
3. We compared bank deposits reflected in 2011 restricted fund bank statements to total deposits recorded in the *Annual and Semiannual Contributions Reports* electronically filed for 2011. The bank deposit amounts agreed to the deposits recorded in the reports. It was noted that on December 21, 2011, there were \$710.07 of individuals' contributions deposited into the restricted fund. Of this amount, \$235.07 was incorrectly reported on the Annual Contribution report filed electronically for 2011.

On January 20, 2012, the Committee subsequently transferred this money out of the restricted funds and into the Executive Committee fund.

The depositing of receipts into the wrong account could result in the illegal use of funding. The Committee should verify the source prior to depositing and reporting.

4. We scanned the Committee's 2011 bank statements and noted they reflected four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The *Annual and Semiannual Contributions Reports* electronically filed for 2011 reported the sum of these four payments without exception.

Cash Receipts (Continued)

5. We scanned other recorded 2011 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
6. Ohio Rev. Code 3517.1012 requires the Party to file *Annual and Semiannual Contributions Reports* electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed the *Annual and Semiannual Contributions Reports* submitted for 2011 on the Secretary of State's website.

Cash Reconciliation

1. We recomputed the mathematical accuracy of the December 31, 2011 reconciliation for the bank account used for receipts 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, 2011. The balances agreed.

Cash Disbursements

1. We footed each *Annual and Semiannual Expenditure Reports* Ohio Rev. Code Section 3517.17 requires, electronically filed for 2011. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned the *Annual and Semiannual Expenditure Reports* electronically filed for 2011 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 2011 restricted fund bank statements to disbursement amounts reported on the *Annual and Semiannual Expenditure Reports* electronically filed for 2011. We found no discrepancies.
4. For each disbursement on the *Annual and Semiannual Expenditure Reports* electronically filed for 2011, we traced the payee and amount to payee invoices and to the payee's name on canceled checks. The payees and amounts recorded on the *Annual and Semiannual Expenditure Reports* electronically filed for 2011 agreed to the payees and amounts on the canceled checks and invoices.
5. We scanned the payee for each 2011 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 compared the signature on 2011 checks to the list of authorized signatories the Committee 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 2011 restricted fund disbursement recorded on the *Annual and Semiannual Expenditure Reports* electronically submitted for 2011 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 of any transfers.
8. We compared the purpose of each disbursement listed on the *Annual and Semiannual Expenditure Reports* electronically filed for 2011 to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. We found no instances where the purpose described on the invoice violated the restrictions of Ohio Rev. Code Section 3517.18.
9. Ohio Rev. Code 3517.1012 requires the Party to file *Annual and Semiannual Expenditure Reports* electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed the *Annual and Semiannual Expenditure Reports* submitted for 2011 on the Secretary of State's website.

OFFICIALS' RESPONSE: We did not receive a response from Officials to the exception noted above.

We were not engaged to, and did not examine each *Annual and Semiannual Contributions Report* electronically filed for 2011, 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.



Dave Yost
Auditor of State

March 23, 2012

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ALLEN REPUBLICAN PARTY

ALLEN 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 26, 2012**