



**REPUBLICAN PARTY
FRANKLIN COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State



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Auditor of State

REPORT OF INDEPENDENT ACCOUNTANTS ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Executive Committee
14 East Gay Street
Columbus, Ohio 43215

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, 2006. 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. 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 *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2006. We noted no computational errors.
3. We compared bank deposits reflected in 2006 restricted fund bank statement to total deposits recorded in the Deposit Form 31-CC files for 2006. We found no exceptions.
4. We confirmed amounts received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A), and agreed them to amounts shown on Deposit Forms 31-CC filed for 2005. We found no exceptions.
5. We scanned other recorded 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 Forms 31-CC electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed Forms 31-CC submitted for 2006 on the Secretary of State's website.

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Cash Reconciliation

1. We were unable to re-compute the mathematical accuracy of the December 31, 2006 reconciliation for the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A). The Committee was unable to provide us with the December 31, 2006 reconciliation. On May 18, 2007 the Committee re-performed the December 31, 2006 reconciliation. We re-computed the mathematical accuracy and there were no computational errors.
2. We were unable to agree the bank balance on the reconciliation to the bank statement balance as of December 31, 2006. The Committee was unable to provide us with the December 31, 2006 reconciliation. We identified a \$1,111 difference between the ending bank balance of \$10,034 and ending book balance of \$8,923. On May 18, 2007, the Committee re-performed the December 31, 2006 reconciliation. We identified a \$121 difference between the ending book balance reported on the annual financial report and ending book balance reported on the year-end bank to book reconciliation of \$9,044.
3. We were unable to agree reconciling items in excess of \$100 appearing on the reconciliation to canceled checks and deposit slips. We could not determine that the dates on those documents support that those items were proper reconciling items and were recorded in the proper amount on the reconciliation as of December 31, 2006. The Committee was unable to provide us with the December 31, 2006 reconciliation. On May 18, 2007, the Committee re-performed the December 31, 2006 reconciliation. We agreed reconciling items in excess of \$100 to canceled checks. We determined that the dates on those documents support that those items were proper reconciling items and were recorded in the proper amount on the reconciliation 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. We noted no computational errors.
2. Per Ohio Rev. 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. We found no evidence of prohibited transfers.
3. We compared the amounts on checks or other disbursements reflected in 2006 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-M filed for 2006. We noted \$123 more in disbursements on the Form 31-M than reported on the banks statements.
4. Using non-statistical sampling we selected 30 disbursement transactions using a haphazard selection from the Disbursement Forms 31-M filed for 2006. We traced the payee and amount to payee invoices and to the payee's name on canceled checks. 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 for evidence that it might represent a contribution or campaign-related disbursement, both of which Ohio Rev. Code 3517.13(X)(2) prohibit. We found no evidence that any restricted fund disbursements represented contributions or campaign-related disbursements.

Cash Disbursements (Continued)

6. We compared the signature on 2006 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 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(X)(4) prohibits. We found no evidence of any transfers.
8. We compared the purpose of the disbursements we selected in step 4 above listed on Disbursement Forms 31-M, filed for 2006, to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits. In addition, we scanned unselected transactions listed on the Disbursement Form 31-M for transactions that did not appear to be for the purposes Ohio Rev. Code Section 3517.18 permits. We found the following exceptions:
 - On January 24, 2006 two payments were made to Irish Cabaret in the amounts of \$160 and \$140. The payments were to attend the Irish Cabaret show at St. Mary's Macedonian Hall. There is no evidence that get-out-the-vote activities or advertisements to publicize the Ohio political party fund were performed. As a result, the disbursements were not for a purpose that Ohio Rev. Code Section 3517.18(A) permits.
 - On January 24, 2006 a payment was made King Strategic Communications, Inc. in the amount of \$6,962.25. The invoice description was "balance carried forward." The Committee was unable to provide other adequate supporting documentation to make a determination that the disbursement was for purposes Ohio Rev. Code Section 3517.18 permits. On May 18, 2007 the Director informed us that the disbursement should have been made from the Party's General Fund.
 - On January 24, 2006 a credit card payment was made to National City Bank in the amount of \$405.11. Based on the credit card statement there were three charges for Subway totaling \$234.32. There is no evidence meals purchased were for the administration of party fundraising drives. As a result the disbursements were not for a purpose Ohio Rev. Code Section 3517.18(A)(3) permits.
 - Brian Metzbower, Political Director of the Franklin County Republican Party, stated that the Committee wished to reimburse the Restricted Fund from the Party's General Fund for all expenditures in question. In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28 a Finding for Recovery for public money illegally expended is hereby issued against the Republican Party in the amount of \$7,496.57, and in favor of the restricted funds of the Franklin County Republican Party. The Party repaid the restricted funds \$6,962.25 and \$534.32 on May 18, 2007 and May 29, 2007, respectively.
9. Ohio Rev. Code 3517.1012 requires the Party to file Forms 31-M electronically with the Secretary of State when the Committee receives gifts from corporations or labor organizations. We viewed Forms 31-M submitted for 2006 on the Secretary of State's website.

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 2006, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 29, 2007



Mary Taylor, CPA
Auditor of State

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
AUGUST 2, 2007**