



Dave Yost • Auditor of State

REPUBLICAN POLITICAL PARTY
MARION COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Executive Committee
Marion County
114 S. Main Street
Marion, OH 43302

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, 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. The Committee did not file the required Deposit Form 31-CC, rather they filed the *Statement of Contributions Received* (Form 31-A). We footed the *Statement of Contribution Received* filed for 2010. We noted no computational errors.

Ohio Rev. Code Section 3517.17 requires a political party to deposit into its restricted fund all public monies received from the Ohio Political Party Fund. Ohio Rev. Code Section 3517.1012(B) states, in part, that a county political party shall file deposit and disbursement statements, in the same manner as the party is required to file statements of contributions and expenditures under section 3517.10 of the Revised Code, regarding all deposits made into, and all disbursements made from, the party's restricted fund. Ohio Rev. Code Section 3517.10 (C)(6)(b) states the Secretary of State shall prescribe the form for all statements required to be filed under this section. As prescribed by the Ohio Secretary of State, the Committee is required to use the *Statement of Political Party Restricted Funds Deposit* (Deposit Form 31-CC revised 3/05) to report all receipts from the Ohio Political Party Fund. This form should be used to file future annual reports.

3. We compared bank deposits reflected in 2010 restricted fund bank statements to total deposits recorded in Deposit Forms 31-A filed for 2010. The bank deposit amounts agreed to the deposits recorded in the Form.

Cash Receipts (Continued)

4. We scanned the Committee's 2010 bank statements and noted they reflected four quarterly payments received from the State Tax Commissioner pursuant to Ohio Rev. Code 3517.17(A). The Deposit Forms 31-A reported the sum of these four payments without exception.
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. We recomputed 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 found no computational errors.
2. We agreed the bank balance on the reconciliation to the bank statement balance as of December 31, 2010. The balances did not agree. The reconciliation showed a balance of (\$79.93) but the bank statement showed a balance of (\$109.93). The difference is due to a \$30 NSF charge that was not entered on the reconciliation.

Cash Disbursements

1. The Committee did not file the required Form 31-M as required by Ohio Rev. Code Sections 3517.18 and 3517.1012; rather they filed the *Statement of Expenditures* (Form 31-B). We footed each *Statement of Expenditures* filed for 2010. We noted no computational errors.

Ohio Rev. Code Section 3517.1012(B) states, in part, that a county political party shall file deposit and disbursement statements, in the same manner as the party is required to file statements of contributions and expenditures under section 3517.10 of the Revised Code, regarding all deposits made into, and all disbursements made from, the party's restricted fund. Ohio Rev. Code Section 3517.10-(C)(6)(b) states the Secretary of State shall prescribe the form for all statements required to be filed under this section. As prescribed by the Ohio Secretary of State, the Committee is required to use the *Statement of Political Party Restricted Fund Disbursements* (Disbursement Form 31-M) to report all disbursements from the Ohio Political Party Fund. This form should be used to file future annual reports.

2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-B 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-B filed for 2010. We found no discrepancies.
4. For each disbursement on Disbursement Forms 31-B filed for 2010, 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-B agreed to the payees and amounts on the canceled checks and invoices.

Cash Disbursements (Continued)

5. We scanned the payee for each 2010 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 2010 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 2010 restricted fund disbursement recorded on Form 31-B 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.
8. We compared the purpose of each disbursement listed on 2010 Disbursement Forms 31-B to the purpose listed on the vendor invoice and to the purposes Ohio Rev. Code Section 3517.18 permits.

We found one exception: The Committee issued Check No. 1001 for \$100 to the River Valley Local School District as a donation for a memorial to WWI vets in Washington D.C. Accordingly, we are hereby issuing the following finding for recovery.

Ohio Rev. Code § 3517.13(X)(2)(b) states that no state or county political party shall make a contribution or an expenditure from its restricted fund. Furthermore, Ohio Rev. Code § 3517.18(A) states that a political party receiving moneys from the Ohio political party fund may expend the moneys only for the following purposes: (1) the defraying of operating and maintenance costs associated with political party headquarters; (2) the organization of voter registration programs and get-out-the-vote campaigns and the costs associated with voter registration and get-out-the-vote activities; (3) the administration of party fund-raising drives; (4) paid advertisements in the electronic or printed media to publicize the Ohio political party fund and to encourage taxpayers to support the income tax checkoff program; (5) direct mail campaigns or other communications with registered voters; and, (6) the preparation of reports required by law.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public money illegally expended is hereby issued against River Valley Local School District in the amount of \$100 in favor of the Committee's restricted fund.

After the Auditor of State brought this matter to the attention of the Committee, the River Valley Local School District returned the \$100 amount to the Committee via check number 086369 on 04/11/11. In the future, the Committee should ensure all disbursements are in compliance with Ohio Rev. Code Chapter 3517.

We were not engaged to, and did not examine each *Statement of Contributions Received* and *Statement of Expenditures* 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 initial "D".

Dave Yost
Auditor of State

May 2, 2011



Dave Yost • Auditor of State

REPUBLICAN PARTY

MARION 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
MAY 26, 2011**