



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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Margaret C. Coughlin, Treasurer  
R I Republican Party  
551 South Main Street  
Providence, RI 02903

MAY 23 2001

Identification Number: C00078196

Reference: Year End Report (11/28/00-12/31/00)

Dear Ms. Coughlin:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule D of your report has failed to include certain information. Commission Regulations require the full name and mailing address of each creditor, the outstanding balance at the beginning and end of the reporting period, the amount incurred during the period, the payment made during the period, and the nature or purpose of each debt. Additionally, all debts must be reported continuously until extinguished or settled. Please amend your report by providing the purpose of each debt. 11 CFR §104.11

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

Colleen Manning  
Reports Analyst  
Reports Analysis Division

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and transfers between accounts.

Next, the document outlines the process of reconciling bank statements with the company's records. This involves comparing the bank's record of transactions with the company's ledger to identify any discrepancies. Common reasons for differences include timing issues, such as deposits in transit or outstanding checks, as well as potential errors in recording or bank charges.

The document then addresses the preparation of the income statement. It explains how the profit and loss account is derived from the sales and expense accounts. The gross profit is calculated by subtracting the cost of goods sold from the net sales. Operating expenses are then deducted to arrive at the operating profit, which is further adjusted for non-operating items to determine the net income for the period.

Finally, the document discusses the preparation of the balance sheet. It highlights the relationship between the assets, liabilities, and equity accounts. The balance sheet must always balance, meaning that the total assets must equal the total liabilities plus equity. This provides a snapshot of the company's financial position at a specific point in time.