



Dave Yost • Auditor of State

**CUYAHOGA REPUBLICAN PARTY
CUYAHOGA COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Secretary of State of Ohio
Republican Executive Committee
Cuyahoga County
The MK Ferguson Building
1500 W 3rd Street, Suite 120
Cleveland, Ohio 44114

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, 2012. 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 *Statement of Political Party Restricted Fund Deposits* Ohio Rev. Code Section 3517.17 requires (Deposit Form 31-CC), filed for 2012. We noted no computational errors.
3. We compared bank deposits reflected in 2012 restricted fund bank statements to total deposits recorded in Deposit Forms 31-CC filed for 2012. We noted the following discrepancies:
 - Three bank deposits, totaling \$25, were not recorded in Deposit Form 31-CC.
 - A bank deposit for \$250 was recorded as \$100 in Deposit Form 31-CC.
 - Three deposits from the Republican Party Veterans of Cuyahoga County, totaling \$2,806, were recorded in Deposit Form 31-CC but were not reported in the restricted fund bank statement. These monies were deposited in a separate bank account.
 - After the above discrepancies were adjusted for the total bank deposits were still \$130 less than total deposits recorded in Deposit Forms 31-CC.

We recommend that all bank deposits be properly recorded in Deposit Forms 31-CC.

Cash Receipts (Continued)

4. We scanned the Committee's 2012 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-CC reported the sum of these four payments without exception
5. We scanned other recorded 2012 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 2012 on the Secretary of State's website.

Cash Reconciliation

1. We were unable to recompute the mathematical accuracy of the December 31, 2012 reconciliation for the bank account used for receipts and disbursements restricted pursuant to Ohio Rev. Code Section 3517.1012(A) since a bank to book reconciliation was not prepared.

We recommend monthly bank to book reconciliations be performed. The reconciliation should identify the bank and book balances as well as the necessary reconciling items to balance the books.

2. We were unable to agree the bank balance on the reconciliation to the bank statement balance as of December 31, 2011 since a bank reconciliation was not prepared at year end.

We recommend monthly bank to book reconciliations be performed. The reconciliation should identify the bank and book balances as well as the necessary reconciling items to balance the books.

3. We were unable to agree reconciling items since a bank reconciliation was not prepared and outstanding checks and other adjustments were necessary to reconcile the account.

We recommend monthly bank to book reconciliations be performed. The reconciliation should identify the bank and book balances as well as the necessary reconciling items to balance the books.

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 2012. We noted no computational errors.
2. Per Ohio Rev. Code 3517.13(X)(1), we scanned Disbursement Form 31-M filed for 2012 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.

Cash Disbursements (Continued)

- We compared the amounts on checks or other disbursements reflected in 2012 restricted fund bank statements to disbursement amounts reported on Disbursement Forms 31-M filed for 2012. We found the following discrepancies.

Description/Check	Bank Date	Bank Amount	Amount Reported	Difference
AHOLA Corporation - Check	4/13/2012	\$2,383	\$2,303	\$80
Bank Service Charge - 10/31/2012	11/1/2012	21	3	18

We recommend the checks or other disbursements be properly reported on Disbursement Forms 31-M.

- We haphazardly selected a sample of forty disbursements on Disbursement Forms 31-M filed for 2012; 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.
- We scanned the payee for each 2012 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 noted the following restricted fund disbursements identified as contributions:

Name	Check No	Check Amount	Check Date	Purpose
Young Republican National Federation	3424	\$1,000	4/24/2012	Contribution
Case College Republicans	3426	500	4/25/2012	Contribution
Ohio College Republican Federation	3427	500	4/25/2012	Contribution
Young Republican National Federation	3517	5,000	8/16/2012	Contribution

- We compared the signature on 2012 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.
- We scanned each 2012 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 noted no disbursements of restricted fund monies to another state or county political party.
- We compared the purpose of the disbursements we selected in step 3 above listed on 2012 Disbursement Forms 31-M 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.
- 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 2012 on the Secretary of State's website.

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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 2012, 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, flowing style with a large loop at the end of the last name.

Dave Yost
Auditor of State

Columbus, Ohio

September 20, 2013



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CUYAHOGA REPUBLICAN PARTY

CUYAHOGA 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
OCTOBER 8, 2013**