



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**OHIO REPUBLICAN PARTY  
FRANKLIN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Political Party Fund Finance Report .....	5

**THIS PAGE LEFT BLANK INTENTIONALLY**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

**REPORT OF INDEPENDENT ACCOUNTANTS ON  
APPLYING AGREED-UPON PROCEDURES**

Ohio Republican Party  
211 S Fifth Street  
Columbus, Ohio 43215

We have performed the procedures enumerated below, which were agreed to by the Ohio Republican Party, solely to assist the Party in evaluating its compliance with Sections 3517.17 and 3517.18 of the Ohio Revised Code for the year ended December 31, 2001. Management is responsible for the Party's compliance with those 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 Party. 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**

We confirmed Ohio Political Party Fund receipts with the State of Ohio and agreed them to the amounts on the Political Party Fund Finance Report (PPFFR) and Ohio Campaign Finance Report (OCFR).

The Ohio Political Party Fund cash receipts reported on the PPFFR and OCFR agreed to the amounts confirmed with the State of Ohio, except as noted below:

- The OCFR cover page "Contributions Received" Line Item total did not agree to supporting documentation resulting in an overstatement of \$0.02. Personnel from the Secretary of State's Office has indicated there was an issue with rounding in their system which may have resulted in this difference;
- The OCFR cover page "Other Income" Line Item total did not include a transfer made from the Party's Federal Account into the Tax Check-Off Account, resulting in an understatement of \$50.00. This item was included in the detail of the report.

**Bank Reconciliation**

1. We compared the sum of the PPFFR and OCFR cash balance as of 12/31/01 with cash balances recorded on the bank reconciliation.

The PPFFR and OCFR cash balance as of December 31, 2001 agreed to the cash balances recorded on the bank reconciliation, except as noted below:

- The "Balance on Hand" Line Item total on the OCFR cover page was not mathematically correct resulting in an understatement of \$0.04. Personnel from the Secretary of State's Office has indicated there was an issue with rounding in their system which may have resulted in this difference;
- As a result of the variances identified in the Cash Receipts and Non-Payroll Cash Disbursements sections, the OCFR cover page "Balance on Hand" as of December 31, 2001, was overstated by a net amount of \$36.82. As requested by personnel from the Secretary of State's Office, the Ohio Republican Party should reflect adjustments for these items in the Ohio Republican Party's December 31, 2002 Ohio Campaign Finance Report.

**Bank Reconciliation (Continued)**

2. We agreed the bank balance on the reconciliation to the bank statement. We recomputed the mathematical accuracy of the reconciliation.

We found no exceptions as a result of our procedures.

3. We agreed reconciling items appearing on the reconciliation to canceled checks, deposit slips, or other documentation. We determined whether dates recorded on those documents supported that those items were proper reconciling items at 12/31/01.

We found no exceptions as a result of our procedures.

**Non-Payroll Cash Disbursements**

1. We performed mathematical computations to confirm the mathematical accuracy of the disbursements listing and compared the total to the total disbursements shown on the PPFRR and OCFR.

The disbursements listing was mathematically accurate and the total disbursements agreed to the PPFRR and OCFR, except as noted below:

- The OCFR cover page "Expenditures" Line Item total did not agree to supporting documentation resulting in an understatement of \$0.02. Personnel from the Secretary of State's Office has indicated there was an issue with rounding in their system which may have resulted in this difference.
- The OCFR cover page "Expenditures" Line Item total did not include the December 2001 bank service charge resulting in an understatement of \$86.82. This item was included in the detail of the report.

2. We traced 14 of 74 recorded disbursements to source documentation such as invoices and canceled checks. We determined that selected checks corresponded to the names on the invoice and that the checks were signed by the authorized signatories and endorsed by the payee.

We found no exceptions as a result of our procedures.

3. We vouched 14 of 74 disbursements, selected haphazardly, for compliance with Section 3517.18 of the Ohio Revised Code.

We found no exceptions as a result of our procedures, except as noted below.

- In May 2001, the Party transferred \$19,000 from the Income Tax Check-Off Account (ITCA) to the Federal Account to offset operational activities. During calendar year 2001, the Federal Account was utilized for party operations, as well as campaign activities. Although the total amount of allowable disbursements from the Federal Account exceeded \$19,000 in May 2001, there was a lack of itemized documentation tying the transfer to specific operational expenses. As a result, we recommend the Party prepare, and attach to the transfer documentation, a detailed listing of the operating expenses associated with the transfer. This will provide a link between transfers from the ITCA and the specific disbursements made from other accounts to provide reasonable assurance the transactions are allowable per Ohio Revised Code Section 3517.18(A).

### **Payroll Disbursements**

We compared all personnel positions paid with Ohio Political Party Fund monies with those allowable under Section 3517.18 of the Ohio Revised Code.

We found no exceptions as a result of our procedures, except as noted below:

- No written job descriptions were provided for the Property Manager or the Communications Intern. As a result, we could not determine if their assigned duties were allowable under Section 3517.18 of the Ohio Revised Code, although their job titles suggest they were responsible for operational activities. We recommend the Party develop and maintain detailed position descriptions for all employees of the Party, particularly those whose salary is paid, in whole or in part, with monies from the Ohio Political Party Fund.
- Income Tax Check-Off Account funds were used to cover payroll costs for two pay periods during 2001 via transfers from the ITCA to the Federal Escrow Payroll Account. For one of these pay periods, the amount transferred from the ITCA into the Federal Escrow Payroll Account exceeded the total payroll liability by approximately \$2,700. No documentation was provided to explain this difference; therefore, we were unable to verify these charges were in accordance with Section 3517.18 of the Ohio Revised Code. Party personnel indicated, however, this difference was used to pay future payroll expenses. For the other pay period, the total payroll costs exceeded the amount transferred by approximately \$8,000. Therefore, it appears the total payroll charges for 2001 exceeded the amount paid from the ITCA by approximately \$5,300. We recommend the Party formally document on future transfer requests the disposition of any excess amounts transferred from the ITCA and any transferred balances used in calculating the payroll transfer amount. This will help to reasonably ensure the charges are allowable in accordance with Section 3517.18 of the Ohio Revised Code. Any amounts transferred which were not used to pay payroll charges related to operational activities should be refunded to the ITCA.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on compliance of the political party fund finance report which is attached to this report. Accordingly, we do not express such 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 Ohio Republican Party and is not intended to be and should not be used by anyone else.



**JIM PETRO**  
Auditor of State

June 6, 2002

**THIS PAGE LEFT BLANK INTENTIONALLY**



**OHIO REPUBLICAN PARTY**  
**POLITICAL PARTY FUND FINANCE REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2001 (UNAUDITED)**

BEGINNING BALANCE, JANUARY 1, 2001	\$33.25	
RECEIPTS:		
STATE DISTRIBUTION	\$121,260.25	
OTHER INCOME	<u>2,201.83</u>	
TOTAL RECEIPTS		<u>123,462.08*</u>
DISBURSEMENTS:		
OFFICE SUPPLIES	\$775.67	
OFFICE EQUIPMENT	11,019.85	
OFFICE OVERHEAD	14,926.84	
SHIPPING/POSTAGE	1,228.32	
UTILITIES/MAINTENANCE	9,070.15	
BANK FEES	926.51	
TRANSFERS TO FEDERAL ACCT	<u>85,500.00</u>	
TOTAL DISBURSEMENTS		<u>123,447.34*</u>
ENDING BALANCE, DECEMBER 31, 2001		<u>\$ 47.99*</u>

\*These amounts reflect the receipts, disbursements, and ending balances of the Ohio Political Party Fund for 2001, as documented in the records of the Ohio Republican Party. These amounts do not agree to the amounts submitted to the Secretary of State on the Ohio Campaign Finance Report for the calendar year ended December 31, 2001 (\$36.82 net impact on the ending balance). At the direction of personnel from the Secretary of State's Office, the Ohio Republican Party will reflect an adjustment for the items identified in the Independent Accountant's Report in the Ohio Republican Party's December 31, 2002, Ohio Campaign Finance Report.

(See Report of Independent Accountants)





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**OHIO 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  
JULY 30, 2002**