



**Auditor of State  
Betty Montgomery**



**OHIO REPUBLICAN PARTY  
FRANKLIN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Political Party Fund Finance Report .....	4

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# Auditor of State Betty Montgomery

## 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, 2003. 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).

We found no exceptions as a result of our procedures.

### **Bank Reconciliation**

1. We compared the sum of the PPFFR and OCFR cash balance as of 12/31/03 with cash balances recorded on the bank reconciliation.

We found no exceptions as a result of our procedures.

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 support that those items were proper reconciling items at 12/31/03.

We found no exceptions as a result of our procedures.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

**Non-Payroll Cash Disbursements**

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

We found no exceptions as a result of our procedures.

2. We traced selected recorded disbursements to source documentation such as invoices and canceled checks. We determined that selected checks correspond 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, except as noted below:

- Two of 15 Income Tax Check-off Account (ITCA) non-payroll disbursements selected for testing, totaling \$46,254, did not have adequate supporting documentation justifying the amount of the disbursement, as detailed below. We recommend the party take appropriate measures to reasonably ensure appropriate support is maintained for all disbursements.
    - A payment to DeSantis Florists, Inc. in the amount of \$1,218 did not agree to the attached invoices. The recalculation of the attached invoices totaled \$1,085; a difference of \$110. The party was unable to provide any additional information as to why the amount paid did not agree. However, because the activity was not allowable in accordance with Section 3517.18 of the Ohio Revised Code, the amount was reimbursed from another funding source. See #3 below for additional information.
    - A payment to Quill for office supplies in the amount of \$1,122 did not agree to the attached supporting documentation. The supporting documentation totaled \$302, a difference of \$820. However, upon further inquiry, the party was able to obtain an additional supporting invoice from Quill indicating the difference.
  - During the period, the party paid several late fees and incurred four non-sufficient funds bank charges totaling \$175 (averaging approximately \$44) related to the ITCA.; and required three transfers into the ITCA from other sources totaling \$170. We recommend management ensure procedures are implemented to more closely monitor the cash flow needs of the ITCA to reduce or eliminate the number of late fees, transfers, and non-sufficient funds fees.
  - During the period, the party incurred 12 monthly bank service charges totaling \$845 (averaging approximately \$70 per month) for the ITCA. We recommend management evaluate possible alternatives to reduce the bank service charges.
3. We vouched selected disbursements for compliance with Section 3517.18 of the Ohio Revised Code. We selected transactions to be tested using non-statistical sampling methods consistent with Statement on Auditing Standards No. 39.

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

- We identified one disbursement totaling \$15,000 which did not appear to comply with Section 3517.18 of the Ohio Revised Code. The disbursements were for the purchase of lawn signs which read: "Another Family Supporting President Bush & Our Troops" and "Support President Bush & Our Troops". We recommended the party seek an opinion regarding the allowability of this expenditure from the Elections Commission in accordance with Section 3517.18 (C) of the Ohio Revised Code, or deposit the appropriate amount into the ITCA from another funding source as reimbursement for these expenditures. On May 10, 2004, the Ohio Republican Party deposited \$15,000 into the ITCA from another funding source as reimbursement for these expenditures.

Ohio Republican Party  
Report of Independent Accountants on  
Applying Agreed-Upon Procedures

- We identified two payments totaling \$1,624 (one to DeSantis Florists, Inc. in the amount of \$1,218 and one to Hirt's Greenhouse in the amount of \$606), which did not comply with Section 3517.18 of the Ohio Revised Code. These disbursements were for the purchase of flower deliveries to various candidates, politicians, their family members and party employees. On June 19, 2003, the Ohio Republican Party deposited \$6,755 into the ITCA from another funding source as reimbursement for these expenditures and \$4,931 in unallowable expenses from the prior calendar year. Since this transaction took place prior to year-end, the PFFR and OCFR were not misstated.
- We identified there are no written policies and procedures relating to proper usage of cellular phones. The Party's Chief Financial Officer stated the Property Manager and the Chief Financial Officer review the cellular phone billing statements for proper usage; however, these procedures are not documented. We recommend the policies and procedures related to cellular phone usage be formalized and all reviews or other controls be documented to evidence they are performed consistently, as required.

**Payroll Disbursements**

We determined if any personnel positions were paid with Ohio Political Party Fund monies to compare them to those positions allowable under 3517.18 of the Ohio Revised Code.

We found no exceptions as a result of our procedures.

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.



**Betty Montgomery**  
**Auditor of State**

June 16, 2004

**OHIO REPUBLICAN PARTY**  
**POLITICAL PARTY FUND FINANCE REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2003 (UNAUDITED)**

BEGINNING BALANCE, JANUARY 1, 2003		\$ 105
RECEIPTS:		
STATE DISTRIBUTION	130,004	
OTHER INCOME	<u>14,634</u>	
TOTAL RECEIPTS		<u>144,638</u>
DISBURSEMENTS:		
OFFICE OVERHEAD	100,930*	
UTILITIES/BUILDING MAINTENANCE	15,494	
OFFICE SUPPLIES	13,489	
OFFICE STAFF PAYROLL	13,000	
BANK SERVICE FEES	1,019	
SHIPPING POSTAGE	<u>475</u>	
TOTAL DISBURSEMENTS		<u>144,407*</u>
ENDING BALANCE, DECEMBER 31, 2003		<u><u>\$ 336*</u></u>

\* These amounts reflect the disbursement activity and ending balance as submitted to the Secretary of State on the Ohio Campaign Finance Report for the calendar year ended December 31, 2003. The Ohio Republican Party may reflect an adjustment for the unallowable expenditures from 2003 and the related reimbursement, totaling \$15,000, in the Ohio Republican Party's December 31, 2004, Ohio Campaign Finance Report.

(See Independent Accountant's Report)



**Auditor of State  
Betty Montgomery**

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  
AUGUST 5, 2004**