



Dave Yost • Auditor of State

February 7, 2013

Mr. Wade Steen, CPA
Fiscal Officer
Cuyahoga County
1219 Ontario Street
Cleveland, OH 44113-1021

Dear Mr. Steen:

This letter is to confirm our understanding of the terms and objectives of our engagement with the Cuyahoga County (the County) and the nature and limitations of the services we will provide.

We will provide the following services:

Using our conversion software and information provided by the County, the Local Government Services Section of the Office of the Auditor of State (LGS) will compile the basic financial statements for Cuyahoga County for the years ending December 31, 2012 and December 31, 2013.

LGS is responsible for conducting the engagement in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements. We will utilize information that is the representation of management without undertaking to obtain any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board.

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the County's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, LGS will not express an opinion or provide any assurance regarding the financial statements.

If for any reason we are unable to complete the compilation of the County's financial statements, we will not issue a report on such statements as a result of this engagement. Subsequent to the completion of the compilation, LGS will provide technical assistance in assembling the County's Comprehensive Annual Financial Report (CAFR). The CAFR may be used to fulfill the County's annual report filing

requirement if completed by May 30, 2013. LGS will not issue a compilation report on the CAFR. Rather, we will provide a "management-only" copy of the compiled financial statements for management to submit to their auditors. We will also retain a copy to meet the annual report filing requirement with our office. If we are unable to prepare a CAFR, we will issue a compilation report on the basic financial statements.

The Cuyahoga County remains responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. It is therefore the responsibility of the County to be in a position in fact and appearance to make informed judgments while reviewing, evaluating, and approving the services provided under this engagement. It is also the Cuyahoga County's responsibility to design, implement and maintain internal controls, including monitoring ongoing activities.

To demonstrate that the County is fulfilling these responsibilities, the following safeguards will be observed. The County will designate a management level individual to be the primary contact accountable for overseeing this engagement and who will take responsibility for the appropriateness of the results of this engagement. If the County has determined that someone other than the individual with whom we worked last year to fulfill this role, the County must submit documentation to support the new designee's knowledge and capability to perform this function. We will meet with this individual bi-weekly to update our progress and to allow the individual to monitor engagement performance to ensure it meets management's objectives. This individual will perform all management functions and make all management decisions related to this conversion and compilation and will accept full responsibility for such decisions. Accordingly, this individual will review and approve all proposed adjustments before they are entered in the conversion software. Finally, this individual will evaluate the adequacy of the services performed under this engagement by the Local Government Services Section of the Office of the Auditor of State.

It is understood and agreed that the performance of this engagement by LGS will not lessen the scope and extent of the audit work to be performed by the Financial Audit Group of the Office of the Auditor of State.

Management is responsible for making all financial records and related information available to LGS. The hours of service offered in this letter are based upon the following information being provided by the County:

1. Information required to confirm appropriate fund classification and major fund status;
2. Information to allow the allocation of internal service funds to governmental and business-type activities;
3. Information regarding estimated revenues and appropriations for use in the preparation of budgetary statements including original budget amounts for all funds required to be presented in the basic financial statements and documentation to insure that financial records are in agreement with amended certificates requested and appropriations passed by the Council during 2012 and 2013;
4. A current, complete, and appropriately classified record of all cash receipts and disbursements made during the year, along with bank reconciliations of all County and bank accounts as of December 31, 2012 and December 31, 2013;

5. Documentation for receivables including taxes, intergovernmental and accounts receivable, inventory, and prepaid items as of December 31, 2012 and December 31, 2013;
6. The balances for all governmental capital assets by program and type and proprietary capital assets by fund and type as of the beginning and end of the year, including appropriate information regarding accumulated depreciation, as well as current year additions (including accounts charged for related expenditures) and deletions (including any related proceeds and accumulated depreciation on the deleted asset). In addition, information is required that presents depreciation expense by fund and type for proprietary capital assets and by program and type for general capital assets for the fiscal year;
7. Information regarding accrued salaries, compensated absences (both current and long-term), accounts payables, workers' compensation, retirement, and other current and long-term liabilities as of December 31, 2012 and December 31, 2013;
8. Information regarding short-term debt (notes) including a schedule of changes in short-term debt that details balances at the beginning and end of the year, increases and decreases and the purpose for which the short-term debt was issued;
9. Information regarding long-term debt balances as of the beginning and end of the year and information regarding additions and payments that occurred during the year. Information that details issuance costs, premiums and discounts for additions should be identified separately.
10. Copies of amortization schedules that distinguish between principal and interest for each outstanding debt issue;
11. Information to support necessary modified accrual and accrual adjustments at December 31, 2012 and December 31, 2013;
12. Information regarding transfers by fund including the amount and purpose for each transfer;
13. The transmittal letter and statistical section; and
14. Management's Discussion and Analysis.

It is important that you provide financial records that balance and documentation that is adequate to support the necessary journal entries. If we discover inadequacies in the records or documentation you provide, we will return the information to you for correction.

All documents provided to LGS in connection with our services including financial records and reports, payroll records, employee rosters, health and medical records, tax records, etc. must be redacted of any personal information before submission. Personal information is defined as social security numbers, dates of birth, drivers' license numbers or financial institution account numbers associated with an individual. The County shall redact all personal information from electronic records before they are transmitted to LGS. This information should be fully blacked out in all paper documents prior to sending them to LGS. If personal information cannot be redacted from any records or documents, the County must identify these records to LGS prior to their submission.

If redacting this personal information impairs the ability of LGS to provide the contracted services, the County and the Auditor of State's Office will consider these exceptions on a case-by-case basis. Additionally, if redacting this information creates hardship on the County in terms of resources, recordkeeping or other issues, the County and LGS may collaborate on alternative methods of providing the County's data to LGS without compromising the personal information on individuals served or employed by the County.

Mr. Wade Steen, CPA
Director of Finance
Cuyahoga County
February 7, 2013
Page 4 of 5

As part of the annual financial report, you will be required to prepare a Management's Discussion and Analysis (MD&A). LGS assistance with respect to the MD&A will be limited to reviewing the MD&A to determine that all required topics have been addressed and to insure that the amounts presented in the MD&A match the amounts presented in the financial statements.

During the course of the compilation, from financial records and supporting documentation you provide, LGS will propose journal entries for the preparation of the basic financial statements; review records and other information to determine whether data is being gathered at the required level to permit the preparation of the financial statements; enter usable information from the prior fiscal year trial balances to the trial balances that will be used for the fiscal year being reported; and input approved journal entries into the trial balances. LGS will also discuss with you the requirements for budgetary presentations and assist in the identification of original budgetary information.

LGS assistance with respect to capital assets will be limited to explaining the information necessary for report preparation. If additional assistance in the review of policies or significant guidance related to the calculation of capital assets is required, this engagement will need to be amended.

All work papers prepared by the Office of the Auditor of State will remain the property of the Auditor of State. Accordingly, we are responsible for their care and custody. At the conclusion of the project, we will provide copies of any of the work papers you would like to have for your records. However, the work papers should not be regarded as a part of, or a substitute for, your accounting records.

Management is responsible for identifying and ensuring the County complies with the laws and regulations applicable to its activities. Management is also responsible to prevent and detect fraud. Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform the appropriate level of management of any material errors, and of any evidence or information that comes to our attention during the performance of our compilation procedures that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential.

It is estimated that 1,500 hours to complete this project for 2012 and 1,500 hours to complete this project for 2013. Our fees for these services will be billed monthly to Cuyahoga County at a rate of \$50 per hour, and the total cost is not anticipated to exceed \$75,000 for each year. If additional time or services should be necessary, we will notify Cuyahoga County regarding any amendment to this contract that may be required.

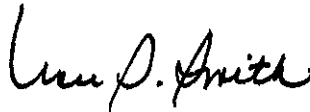
Upon a 30 day written notice, either party may terminate this Agreement for any reason. Such notice shall be sent by U.S. mail or by personal delivery to Auditor of State, Local Government Services Section, 88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506. In the event of such termination, the Auditor of State shall be compensated at the contractually agreed-upon rate for any and all work done to the date of such notice.

Mr. Wade Steen, CPA
Director of Finance
Cuyahoga County
February 7, 2013
Page 5 of 5

If you are in agreement with the terms of this contract, please have this engagement letter signed and certified in the appropriate places and return it to me no later than February 22, 2013. If we do not hear from you by February 22, 2013, we will assume that the Cuyahoga County does not wish to contract for the services of the Local Government Services Section of the Office of the Auditor of State. Should you have any questions concerning this letter, please do not hesitate to contact Nita Hendryx, Chief Project Manager, at 1.800.443.9271.

Sincerely,

DAVE YOST
Auditor of State



Unice S. Smith
Chief of Local Government Services

We desire the Auditor of State's Office to perform the services described above and agree to the terms and conditions set forth in this letter.

Date: 4/8/2013


CUYAHOGA COUNTY

Resolution No. BC2013-74

By: 
Edward FitzGerald, Cuyahoga County Executive

It is hereby certified that the amount of \$150,000 required to pay this contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of the General Fund, free from any obligation or certification now outstanding.

Date: 4/8/2013


Wade Steen, CPA, Fiscal Officer

cc: Nita Hendryx, Chief Project Manager
Carol-Ann Schindel, Chief Auditor

Certified Search for Unresolved Findings for Recovery



Dave Yost
Ohio Auditor of State

Office of Auditor of State
88 East Broad Street
Post Office Box 1140
Columbus, OH 43216-
1140
(614) 466-4514
(800) 282-0370

Auditor of State - Unresolved Findings for Recovery Certified Search

I have searched The Auditor of State's unresolved findings for recovery database using the following criteria:

Contractor's Information:

Organization: auditor of the state of ohio
Date: 02/12/2013

This search produced the following list of possible matches:

0 Possible matches were found

Name/Organization	Address
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The above list represents possible matches for the search criteria you entered. Please note that pursuant to ORC 9.24, only the person (which includes an organization) actually named in the finding for recovery is prohibited from being awarded a contract.

If the person you are searching for appears on this list, it means that the person has one or more findings for recovery and is prohibited from being awarded a contract described in ORC 9.24, unless one of the exceptions in that section apply.

If the person you are searching for does not appear on this list, an initialed copy of this page can serve as documentation of your compliance with ORC 9.24(E).

Please note that pursuant to ORC 9.24, it is the responsibility of the public office to verify that a person to whom it plans to award a contract does not appear in the Auditor of State's database. The Auditor of State's office is not responsible for inaccurate search results caused by user error or other circumstances beyond the Auditor of State's control.

HISTORY FOR CONTRACT/AGREEMENTS						
CECPNO						
AGRMTNO	AG1200216-01					
	AG1200216-01					
	AG1200216-01					
Vendor Name	The Auditor of State					
Start Date	7/2/2012					
End Date	8/27/2012					
	41,274.00					
Resolution No.	CPSB2012-598					
	CPSB2012-862					
	CPSB2012-1021			Extend time to	Amend Resolution No.	***
Original Amount	40,000.00					
Amendment Amounts	17,500.00					
	2,400.00					
Total Contract Amount	59,900.00					
***Additional Comments:						

Extend time to	Amend Resolution No.	***
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CONTRACT/AGREEMENT EVALUATION FORM
(To be completed in its entirety by user department for
all contract/agreement renewals or amendments.)

Contractor: Auditor of State

Contract/Agreement No.: AG1200216 **Time Period:** July 2, 2012-August 27, 2012

Service Description: To assist with compiling the 2011 Comprehensive Annual Financial Report

Original Contract/Agreement Amount: \$40,000.00

Prior Amendment(s) Amount(s): AG1200216 September 24, 2012 – December 31, 2012
\$17,500.00

Performance Indicators: To complete the 2011 Comprehensive Annual Financial Report

Actual performance versus performance indicators (include statistics):
.

Rating of Overall Performance of Contractor (Check One):

- ☐ Superior
- ☒ Above Average
- ☐ Average
- ☐ Below Average
- ☐ Poor

Justification of Rating: The 2011 Audit should be released by year end.

Fiscal Office/Financial Services

2/15/13

User Department

Date

s: evaluation

Kathy Goepfert - RE: LGS Contract

From: "Tisha A. Turner" <TATurner@ohioauditor.gov>
To: Kathy Goepfert <kgoepfert@cuyahogacounty.us>
Date: 2/14/2013 9:54 AM
Subject: RE: LGS Contract
CC: "Nita R. Hendryx" <NRHendryx@ohioauditor.gov>, Mark Parks <mparks@cuyaho...>
Attachments: Tisha Ann Turner CPA.vcf

Good Morning,

Our contracts do not include a start and end date due to our work being dependent upon the client gathering information and the audit being completed. If the client is able to gather information for us in a timely manner than we normally like to be done with our work by June. The contract also includes making audit adjustments. Some of our clients are on a two year audit cycle and the work is not done until three years later. Even clients on a one year audit cycle may have delays in their audit being completed and released for any number of reasons. Although it is our goal to be done by the date you have indicated I cannot guarantee that as we are still gathering information to finish the 2011 report and the audit is still in progress. Please let me know if you need anything further,

Tisha



From: Kathy Goepfert [mailto:kgoepfert@cuyahogacounty.us]
Sent: Tuesday, February 12, 2013 11:29 AM
To: Tisha A. Turner
Subject: LGS Contract

Tisha,

I am in the process of putting the LGS contract for 2012 and 2013 year end into NOVUS.

I do not see a start date or an end-date of the contract.

I was using the date of the letter February 7, 2013 - December 2014.

The reason I put December down is if you go past the May 31st deadline and invoices come in after that date I would have to amend the contract.

What I need from your office is a copy of the contract with a start date and end date of the actual work. If you want to use the date I referenced above or another time frame I need that in the contract.

Thanks.

kathy

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) STATE OF OHIO	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶	
	<input checked="" type="checkbox"/> Other (see Instructions) ▶ Government Entity	
	Address (number, street, and apt. or suite no.) 88 East Broad Street	
City, state, and ZIP code Columbus, OH 43215		
List account number(s) here (optional)		
Requester's name and address (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number	

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the Instructions on page 4.

Sign
Here

Signature of
U.S. person ▶

Tracy S. Keen

Date ▶ *Feb 6, 2012*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.