



TENNESSEE REGISTRY OF ELECTION FINANCE

Contribution Audit of Representative John Mark Windle's 2012 Pre-General Campaign Finance Disclosure



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January 9, 2013

Members of the Registry of Election Finance
404 James Robertson Parkway, Suite 104
Nashville, TN 37243-1360

Ladies and Gentlemen,

Transmitted herewith is the agreed upon procedures for the un-itemized contribution audit of Representative John Mark Windle's 2012 Pre-General Campaign Financial Disclosure Statement for his 2012 election campaign for the House of Representatives. This audit was conducted pursuant to the requirements of T.C.A. §2-10-212.

The audit procedures developed are to aid the Registry of Election Finance in its responsibilities to monitor and enforce Tennessee's Campaign Financial Disclosure Law and Campaign Contribution Limit Laws. The candidate is responsible for complying with campaign finance laws and the accuracy of campaign financial disclosures. The sufficiency of these procedures is solely the responsibility of the Bureau of Ethics and Campaign Finance's internal audit group. Consequently, we make no representation regarding the sufficiency of the agreed upon procedures described in the report for any other purpose than aiding the Registry.

This report is for the information and use of the Members of the Tennessee Registry of Election Finance as outlined; and is not intended to be and should not be used by anyone other than the Registry without understanding the objectives, purposes, and underlying assumptions. This report, however, is a matter of public record.

Sincerely,

Jay Moeck, CPA, CFE
Audit Director

STATE OF TENNESSEE
REGISTRY OF ELECTION FINANCE

Audit Highlights
Representative John Mark Windle
2012 Pre-General Contribution Audit

AUDIT OBJECTIVES

The objectives of the audit were to determine Rep. John Mark Windle's compliance with certain provisions of campaign finance disclosure laws and regulations; compliance with certain provisions of campaign contribution limit laws and regulations; accuracy and completeness of the un-itemized contribution disclosures on his 2012 Pre-General Campaign Financial Disclosure Statement; and to recommend appropriate actions to correct any deficiencies.

FINDING(S)

The audit report contains no findings.

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INTRODUCTION

AUDIT AUTHORITY

Tennessee Code Annotated (T.C.A.) §§2-10-206 and 2-10-212 authorize the Registry of Election Finance (Registry) to conduct audits of campaign financial disclosure statements filed with the Registry. The audit was initiated based on T.C.A. §2-10-212(i), which requires the Registry to audit any candidate that files a disclosure statement with more than 30% of the candidate's contributions reported as un-itemized contributions and the aggregate un-itemized contributions reported are greater than \$5,000.

AUDIT PURPOSE

The Registry's contribution audits are to assist and encourage candidate compliance with campaign disclosure laws. The audit process assists the Registry in providing timely and accurate campaign information to government officials and the public. The Registry's audits provide a tool to the Registry to evaluate the effectiveness of the campaign financial disclosure process. In addition, the audits assist the Registry with the enforcement of campaign finance limit laws and campaign finance disclosure laws. Finally, the audit reports are prepared to assist the candidate and the State of Tennessee with promoting governmental accountability and integrity.

AUDIT SCOPE

Tennessee's campaign financial disclosure law requires candidates to make biannual financial disclosures as of the date of the first contribution or first expenditure, whichever occurs earlier. The biannual report periods are from January 16 to June 30 and July 1 to January 15 of each year. During an election year, the disclosures expand to quarterly reports, pre-primary reports, and pre-general reports. This audit relates to only disclosure reports that meet the requirements listed in T.C.A. §2-10-212(i). Therefore, the audit reviewed only Rep. Windle's disclosures on his 2012 Pre-General report.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

Rep. John Mark Windle was a candidate in the November 6, 2012 general election for the House Representative for District 41. Rep. Windle filed an Appointment of Political Treasurer Statement with the Registry on June 6, 2012 appointing Evelyn Gaye Cooper as political treasurer.

The candidate's first financial disclosure for the 2012 campaign was the 2012 Second Quarter report filed on July 10, 2012. The candidate's latest financial disclosure report for the 2012 election was the 2012 Pre-General Quarter report filed on October 30, 2012. The 2012 Pre-General Quarter report indicated \$95.47 cash on hand, no outstanding obligations and no outstanding loans. The candidate has not completed his 2012 election campaign reporting requirements. The candidate's next report will be the 2012 4th Quarter report due January 25, 2013.

OVERVIEW OF FINANCIAL ACTIVITIES

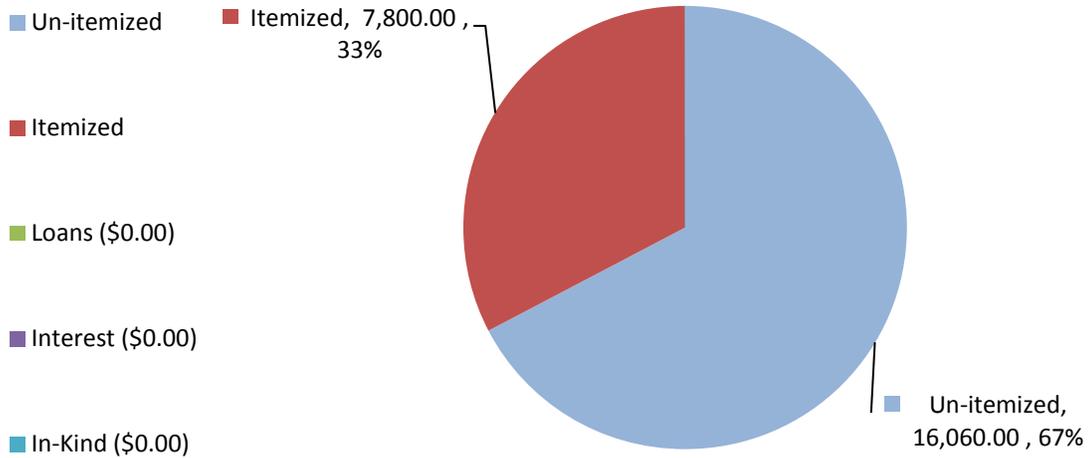
The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure reports: 2012 Second Quarter, 2012 Pre-Primary, 2012 Third Quarter and 2012 Pre-General reports. As noted in the audit scope, we only audited un-itemized contributions from disclosures for the 2012 Pre-General report. The amounts displayed are for informational purposes only.

<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand at June 6, 2012		\$0.00
Receipts		
Un-itemized	\$30,865.00	
Itemized	33,900.00	
Interest	0.00	
Loans receipted	0.00	
Total receipts		<u>\$64,765.00</u>
Disbursements		
Un-itemized	0.00	
Itemized	64,669.53	
Loans principal payments	0.00	
Total disbursements		<u>\$64,669.53</u>
Cash on hand at October 30, 2012		<u>\$95.47</u>
Loans outstanding at October 30, 2012		\$0.00
Obligations October 30, 2012		\$0.00
Total in-kind contributions received		\$400.00

CHARTS

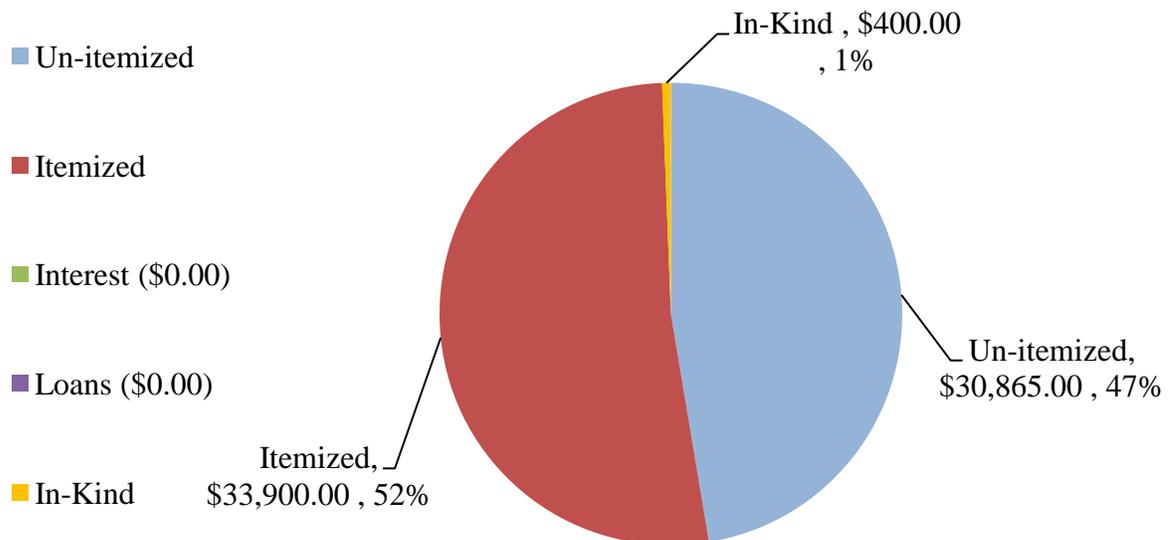
2012 PRE-GENERAL CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate in the 2012 Pre-General report.



2012 ELECTION CAMPAIGN CONTRIBUTIONS (through Pre-General election report)

The following chart shows the contributions reported by the candidate for the 2012 election campaign through the 2012 Pre-General disclosure report.



OBJECTIVES, METHODOLOGIES, CONCLUSIONS

UN-ITEMIZED CONTRIBUTIONS AND RECEIPTS

Audit Objectives:

The objectives of our audit of un-itemized contributions were to determine whether:

- campaign contributions from individuals and Political Action Committees (PAC) were within limits;
- all contributions were from non-prohibited sources;
- all contributions received were reported, reported in the proper period, reported in compliance with T.C.A. §§2-10-105 and 2-10-107, and reported in compliance with the Registry's rules; and
- all contributions were supported by bank statements and deposit slips.

Audit Methodology:

The Registry obtained Rep. Windle's 2012 Pre-General Campaign Financial Disclosure Statement to verify that the un-itemized contributions were greater than \$5,000.00 and 30% of the total contributions reported. We requested Rep. Windle provide supporting documentation for the un-itemized contributions of \$16,060.00 that he reported on his 2012 Pre-General report. Rep. Windle's campaign records included his bank statements, deposit slips, copies of checks and cash, contribution lists and reconciliation sheets. The following steps were performed on Rep. Windle's campaign documentation:

- The campaign records were reviewed to determine if the candidate's un-itemized contributions received from October 1, 2012 thru October 27, 2012 totaled \$16,060.
- A list of un-itemized contributions was prepared and compared to the candidate's bank statements to determine if the candidate deposited all funds into a campaign bank account and properly recorded the funds.
- A list of un-itemized contributions by contributor was prepared and compared to the candidate's itemized contributions reported during the election to determine if campaign contributions from individuals and PACs complied with campaign contribution limits, T.C.A. §2-10-301, et seq.
- An un-itemized contributions list was reviewed to determine if all contributions were reported, all receipts received were reported, all contributions were reported in the proper period, all contributions were in compliance with T.C.A. §§2-10-105 and 2-10-107, and all contributions were in compliance with the Registry's rules.

Audit Conclusion:

Rep. Windle's 2012 Pre-General Campaign Financial Disclosure Statement reported un-itemized contributions were greater than \$5,000.00 and 30% of the total contributions. The audit indicated all un-itemized contributions reported were deposited into the campaign bank account. The audit indicated the un-itemized contributions complied with campaign finance laws and Registry rules.

RESOLUTIONS

REGISTRY OF ELECTION FINANCE ACTIONS

The Members of the Registry of Election Finance reviewed the 2012 contribution audit of Rep. John Mark Windle during the January 9, 2013 regular monthly meeting. The report contained no findings. The Registry voted to accept and approve the audit report with no further action.