

**CITIZENS CLEAN ELECTIONS COMMISSION**

**Report on Agreed-Upon Procedures**

**Cathy Ransom  
Participating Candidate for  
State Senator - District 1  
General Election 2022**



Independent Accountants' Report on  
Applying Agreed-Upon Procedures

To the Chairman and Members of the  
Citizens Clean Elections Commission  
Phoenix, Arizona

We have performed the procedures enumerated below, which were specified and agreed to by the State of Arizona Citizens Clean Elections Commission (the Commission), solely to assist the Commission in evaluating whether Cathy Ransom's (the Candidate)'s Campaign finance reports between the 2022 Pre-General Election report, starting October 1, 2022, through the 2022 Post-General Election (Q4) report, which ended December 31, 2022 (the reporting period) were prepared in compliance with Title 16, Articles 1 and 2 of the Arizona Revised Statutes, Campaign Contributions and Expenses, and the Citizens Clean Elections Act, and whether the reports complied with the rules of the Citizens Clean Elections Commission. The Candidate's management is responsible for the Campaign finance reports during the reporting period. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. 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.

The procedures and associated findings are presented on the subsequent pages.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Campaign finance reports during the reporting period of Cathy Ransom. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and the Candidate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than those specified parties.

*Fester & Chapman, PLLC*

April 26, 2023

## Summary of Procedures and Findings

### 1. Preliminary Procedures

- a) Contractor will obtain a copy of the candidate's campaign finance report for the reporting period.

**Finding**

We obtained the Campaign finance reports from the Arizona Secretary of State's Website for the reporting period between the 2022 Pre-General Election report, starting October 1, 2022, through the 2022 Post-General Election (Q4) report, which ended December 31, 2022.

- b). Perform a desk review of the disbursements reported in the candidate's campaign finance report to identify any unusual items requiring follow-up during fieldwork.

**Finding**

We noted no unusual disbursements during our review.

- d). Contact the candidate or the campaign treasurer, as appropriate, to schedule a date to perform fieldwork. Discuss the nature of the documentation, which will be needed to perform the engagement and ascertain the location of the necessary documentation.

**Finding**

We contacted the Candidate to discuss the agreed-upon procedures, the timing of our procedures, and the documentation needed.

### 2. Fieldwork Procedures

- a) Contractor will contact the candidate to request the records for an agreed-upon procedures attest engagement. Candidates receiving audits after the Primary Election shall provide records from the election cycle through the 3rd Quarter Report. Candidates receiving audits after the General Election shall provide records from the election cycle through the 4th Quarter Report.

**Finding**

Commission staff sent an initial notice to the Candidate and informed the Candidate that we would be contacting them. We then communicated to the Candidate in a written request, the purpose of the request, agreed-upon procedures to be performed, documentation needed, and potential future requirements of the Candidate.

- b) The contractor shall contact the candidate and/or his or her representative(s) to discuss the purpose of the engagement, the general procedures to be performed and potential future requirements of the candidate, such as possible repayments to the Fund.

**Finding**

See comment in a) above.

- c) The Contractor shall contact or conduct an interview with the candidate and/or his or her representative(s) to discuss the bookkeeping policies and procedures utilized by the campaign committee.

**Finding**

The Candidate provided a description of bookkeeping policies and procedures utilized by the Campaign Committee.

- (i) Review the names of the candidate's family members. Family members include parents, grandparents, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members regardless of whether the relation is established by marriage or adoption.

**Finding**

We obtained and reviewed the names of the Candidate's family members.

- (ii) Review bank statements one month prior to the election date (beginning on the first of the month), the month including the election day, and one month after the election day (ending on the last of the month) in the reporting period and perform the following:
- Select five (5) samples of deposits and withdrawals from the bank statements and determine that the transaction is properly reflected in the candidate's records and campaign finance report.

**Finding**

We selected five withdrawals from the bank statements for the reporting period and determined that they appeared to be properly recorded in the Candidate's Campaign finance reports. There were no deposits during the reporting period to test.

- Perform a proof of receipts and disbursements for the reporting period, which is defined as reporting the ending balances of the December 2022 bank statement and the Post-General Election (Q4) campaign finance report.

**Finding**

The Candidate's Post-General Election (Q4) campaign finance report listed a balance of \$3.59 at December 31, 2022. The Candidate's campaign bank account statement listed a balance of \$0.00 at December 31, 2022. The net result is a variance of \$3.59.

- d) Using the dates and limits defined in the Arizona Citizens Clean Elections Guide, review the receipts reported in the candidate's campaign finance reports to determine the following:
- (i) The candidate accepted contributions only from individuals.

**Finding**

The contributions received during the reporting period appeared to be only from individuals.

- (ii) None of the contributions received from individuals exceed the early contribution limit.

**Finding**

Contributions received from individuals during the reporting period did not exceed the \$180 early contribution limit.

- (iii) Check compliance with the maximum early contribution limits.

**Finding**

Early contributions received during the reporting period did not exceed the \$4,323 limit for a legislature candidate.

- (iv) Check compliance with the maximum personal contribution limits.

**Finding**

Personal contributions received during the reporting period did not exceed the \$800 limit for a legislature candidate.

- e) For both the primary election and the general election, contractor will judgmentally select a 10% sample size with a minimum of five (5) contributions reported in the candidate's campaign finance report (not including the \$5 qualifying contributions) and agree to supporting documentation, which reflects the name of the contributor (for all contributions) and for individuals who contributed greater than \$100, which reflects the contributor's address, occupation and employer.

**Finding**

There were no contributions reported during the reporting period.

- (i) For other types of cash receipts reported on the candidate's campaign finance report, review supporting documentation and review for compliance with regulatory rules and laws and agree the receipt to inclusion in the campaign account bank statement.

**Finding**

No other types of cash receipts were reported in the Candidate's Campaign finance reports during the reporting period.

- (ii) For in-kind contributions, review the supporting documentation and determine the methodology utilized to value the contribution and assess the reasonableness.

**Finding**

No in-kind contributions were reported in the Candidate's Campaign finance reports during the reporting period.

- f) For both the primary election and the general election, contractor will judgmentally select a 10% sample size with a minimum of five (5) of cash expenditures reported in the candidate's campaign finance report and perform the following:

- (i) Review supporting invoice or other documentation and agree amount to the amount reported in the candidate's finance report.

**Finding**

We reviewed five expenditures and agreed amounts to supporting invoices or other documentation to the Candidate's Campaign finance report.

- (ii) Determine that the name, address and nature of goods or services provided agree to the information reported in the candidate's campaign finance report.

**Finding**

We reviewed five expenditures and agreed the name, address, and nature of goods or services provided in the Candidate's Campaign finance report.

- Agree the amount of the expenditure to the campaign account bank statement.

**Finding**

We reviewed five expenditures and agreed amounts to the Campaign account bank statements without exception.

- (iii) Determine whether the expenditure was made for a direct campaign purpose. Direct campaign purpose includes, but is not limited to, materials, communications, transportation, supplies and expenses used toward the election of the candidate.

**Finding**

We reviewed five expenditures and determined that all appeared to have been made for direct campaign purposes.

- If the expenditure is a joint expenditure made in conjunction with other candidates, determine that the amount paid represents the candidate's proportionate share of the total cost.

**Finding**

We reviewed five expenditures and determined that four of them were joint expenditures, and that the amount paid represented the Candidate's proportionate share of the total cost.

- g) Determine whether any petty cash funds have been established and, if so, determine how expenditures from these funds have been reflected in the accounting records. Determine whether aggregate petty cash funds exceed the limit of \$1,580.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the reporting period.

- (i) If applicable, for both the primary election and the general election, contractor will judgmentally select a 10% sample size with a minimum of five (5) candidate's petty cash fund expenditures and obtain supporting documentation for the expenditure. Determine whether the expenditure was for a direct campaign expense and whether the expenditure was in excess of the \$180 limit on petty cash expenditures.

**Finding**

Based on inquiry of the Candidate, the Candidate did not establish a petty cash fund during the reporting period.

- h) Determine if the candidate/campaign incurred any debt. If so, report all debt.

**Finding**

Per the Candidate's 2022 Post-General Election (Q4) report, there is a balance on *Schedule D1 - Committee Debt* of negative \$32.08 at December 31, 2022.

- i) Contact the candidate and/or his or her representative(s) to discuss the preliminary engagement findings and recommendations that the Contractor anticipates presenting to the CCEC. During this conference, the Contractor will advise the candidate and/or his or her representative(s) of their right to respond to the preliminary findings and the projected timetable for the issuance of the final issuance of the report.

**Finding**

We reported our findings to the Candidate and the Candidate did not provide responses to our findings.