



## KENTUCKY REGISTRY OF ELECTION FINANCE

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March 31, 2022

To the People of the Commonwealth of Kentucky  
Chairman and Members of the Registry of Election Finance

As Auditors for the Registry of Election Finance, we transmit our audit report of the Boone County Democratic Executive Committee income tax check-off funds for the period beginning January 1, 2021, and ending December 31, 2021. This report contains our findings related to the committee's compliance with the provisions of Kentucky Revised Statutes Chapter 121, Campaign Finance Regulation.

Respectfully submitted,

*David Simpson*

David C. Simpson  
Audit Manager

*Jack Scott Lawless*

Jack S. Lawless, CPA  
Auditor

Enclosures

cc: Shannon Fabert, Chairperson  
Janet Cowen, Treasurer  
Carole Register, Former Chairperson

**BOONE COUNTY DEMOCRATIC EXECUTIVE COMMITTEE  
INCOME TAX CHECK-OFF FUNDS  
AUDIT REPORT AND STATEMENT OF RECEIPTS AND  
EXPENDITURES  
FOR THE PERIOD JANUARY 1, 2021,  
THROUGH DECEMBER 31, 2021**

**INTRODUCTION**

The Boone County Democratic Executive Committee (“Committee”), an executive committee of a political party as defined by KRS 121.015(3)(e), was organized to engage in activities to support candidates of the Democratic Party. Pursuant to KRS 141.071 and KRS 141.072, individual taxpayers of Kentucky may designate a portion of their state income tax liability to a political party that the Kentucky State Treasurer must forward to the Committee. The Committee’s accounting, reporting and use of the Income Tax Check-off (“ITC”) funds is governed by KRS 121.230.

As provided by KRS 121.230(5), the Kentucky Registry of Election Finance (“Registry”) performed an audit of the Committee’s receipt and use of ITC funds for the period beginning January 1, 2021, and ending December 31, 2021. This report summarizes the Registry’s audit.

During the audit period, Shannon Fabert replaced Carole Register as Committee Chairperson while Janet Cowen served as Committee Treasurer.

**SCOPE**

The scope of the audit was limited to evaluating the Committee’s compliance with the provisions of KRS 121.230. Procedures performed during the audit included, but were not limited to:

- accounting for each ITC check received from the Kentucky State Treasurer;
- review of documents supporting the use of ITC funds; and
- comparing records to reports filed with the Registry.

## SUMMARY OF FINDINGS

### CRITERIA: KRS 121.230(1) states that:

*No state or local governing authority of a political party to which funds are remitted under KRS 141.071 to 141.073 shall use such funds other than in support of the party's candidates in a general election and for the administrative costs of maintaining a political party headquarters.*

### FINDING

The Committee used ITC funds to support candidates outside a general election. During the audit period, the Committee paid ITC funds in the amount of \$475 to the Boone County 4-H and Utopia Fair Board for rental space at the 2021 Boone County Fair held from August 2 – August 7. The Committee states that the space was used for “supporting the Democratic Party candidates.” However, no general elections were held in 2021 subsequent to the Boone County Fair. The elections immediately following the 2021 Boone County Fair were the 2022 primary elections where expenditure of ITC funds to support a party’s candidate was prohibited.

### STATEMENT OF RECEIPTS AND EXPENDITURES

ITC Funds Deposited	\$ 963.00 *
Less: ITC Funds Disbursed	<u>(475.00)</u>
Net Increase/(Decrease) to ITC Account	<u>\$ 488.00</u>
ITC Funds Receivable from Department of Revenue as of December 31, 2021	<u>\$ 551.00</u>

\* ITC deposits include two ITC checks from the Kentucky Department of Revenue. The first check deposited on August 16, 2021, in the amount of \$537.50, represents ITC funds for the 2019 tax year that were collected by the Department of revenue throughout 2020 and remitted to the Committee in 2021. The second check deposited on August 26, 2021, in the amount of \$425.50, is a reissuance of an ITC check from the Department of Revenue that was issued in 2018 for the 2016 tax year. The Committee never deposited the original 2018 check. The Department of Revenue issued a replacement check in 2021.