THE CITY OF SAN DIEGO

September 12, 2008

San Diegans for City Hall Reform
c/o Nancy Haley, Treasurer
Scott & Cronin LLP
330 Encinitas Blvd., Suite 101
Encinitas, CA 92024-8705

Re: Ethics Commission Audit of San Diegans for City Hall Reform (ID # 1283641)

Dear Ms. Haley:

The Ethics Commission audit of the above-referenced committee is now concluded, and the Final Audit Report is enclosed. This report was delivered to the Ethics Commission at its regularly-scheduled meeting held on September 11, 2008. The Commission observed that the findings reflected in the Audit Report indicate that the committee did an admirable job of substantially complying with local campaign laws and maintaining excellent records. As a result, the Commission voted to accept the report.

Thank you for your assistance and cooperation during the course of the audit.

Sincerely,

Rosalba Gomez
Ethics Commission Auditor

Enclosure

THE CITY OF SAN DIEGO

FINAL AUDIT REPORT

September 4, 2008

San Diegans for City Hall Reform
c/o Nancy Haley, Treasurer
Scott & Cronin LLP
330 Encinitas Blvd., Suite 101
Encinitas, CA 92024-8705

SAN DIEGO ETHICS COMMISSION
AUDIT REPORT:
San Diegans for City Hall Reform

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, San Diegans for City Hall Reform Identification Number 1283641 ("the Committee") for the period from February 24, 2006, through March 31, 2008. The Committee was selected for audit by a designee of the City Clerk in a random drawing conducted at a public meeting of the Ethics Commission held on September 19, 2007. The audit was conducted to determine whether the Committee materially complied with the requirements and prohibitions imposed by the City of San Diego's Election Campaign Control Ordinance (San Diego Municipal Code Chapter 2, Article 7, Division 29).

During the period covered by the audit, the Committee reported total contributions of $1,389,125.32 (inclusive of $173,951.33 non-monetary contributions) and total expenditures of $1,212,825.40. **The audit revealed no material findings. The committee substantially complied with the disclosure and record-keeping provisions of the San Diego Election Campaign Control Ordinance.**

II. Committee Information

On February 24, 2006, the Committee filed a Statement of Organization with the San Diego City Clerk and filed an amended Statement of Organization on March 14, 2006, indicating that it qualified as a committee. The Committee was formed to support Propositions B and C in the November 7, 2006, municipal special election. On January 31, 2007, the Committee filed an amended Statement of Organization indicating that it had changed from a primarily formed committee to a general purpose committee formed "to support/oppose local ballot measures to reform/restore fiscal stability and efficiency within the City of San Diego government."

On January 11, 2008, the Committee filed an amended Statement of Organization indicating that it had changed from a general purpose committee to a primarily formed committee "to support possible ballot measures in the November 4, 2008, municipal general election." The Committee is currently still open. The Committee's treasurer is Scott & Cronin LLP, represented by Nancy Haley and Lori Jacobs.

III. Audit Authority

The Commission is mandated by San Diego Municipal Code section 26.0414 to audit campaign statements and other relevant documents to determine whether campaign committees comply with applicable requirements and prohibitions imposed by local law.

IV. Audit Scope and Procedures

This audit was performed in accordance with generally accepted auditing standards. The audit involved a thorough review of the Committee's records for the time period covered by the audit. This review was conducted to determine:

1. Compliance with all disclosure requirements, pertaining to contributions, expenditures, accrued expenditures, and loans, including itemization when required;
2. Compliance with applicable filing deadlines;
3. Compliance with restrictions on contributions, loans and expenditures;
4. Accuracy of total reported receipts, disbursements and cash balances as compared to bank records; and
5. Compliance with all record-keeping requirements.

V. Conclusion

Through the examination of the Committee's records and campaign disclosure statements, the Auditor verified that the Committee accurately and timely disclosed all contributions received and all expenditures made and that the Committee maintained the necessary documentation regarding contributions and expenditures. **As a result, the Auditor determined that there were no material findings. The Committee substantially complied with the disclosure and record-keeping provisions of the San Diego Election Campaign Control Ordinance.**

_____ _____
Rosalba Gomez, Ethics Commission Auditor Date

_____ _____
Lauri Davis, Ethics Commission Senior Investigator Date