THE CITY OF SAN DIEGO

November 14, 2008

VIA ELECTRONIC MAIL & U.S. MAIL

Councilmember Kevin Faulconer
Friends of Kevin Faulconer (ID # 1282704)
c/o April Boling, Treasurer
7185 Navajo Road, Suite L
San Diego, CA 92119

Re: Ethics Commission Audit of Friends of Kevin Faulconer (ID # 1282704)

Dear Ms. Boling:

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 November 13, 2008. The Commission observed that the findings reflected in the Audit Report indicate that the committee substantially complied with local campaign laws and maintained 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

November 7, 2008

Councilmember Kevin Faulconer
c/o April Boling, Treasurer
7185 Navajo Road, Suite L
San Diego, CA 92119

Treasurers: C. April Boling, Treasurer
7185 Navajo Road, Suite L
San Diego, CA 92119

SAN DIEGO ETHICS COMMISSION
AUDIT REPORT:
Friends of Kevin Faulconer

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Friends of Kevin Faulconer, Identification Number 1282704 ("the 2006 Committee") for the period from January 23, 2006, through June 30, 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. In addition, our Audit Manual states that if a committee controlled by a candidate is selected for audit, then any other City of San Diego committees controlled by the same candidate during the audit period shall be included in the audit. Therefore, we also audited the committee, Friends of Kevin Faulconer Debt Retirement, Identification Number 1278616 ("the 2005 Committee") for the period from January 23, 2006, through January 5, 2007, the date the committee was terminated. The audit was conducted to determine whether the Committees 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 2006 Committee reported total contributions of $126,705.10 (inclusive of $3,050.73 non-monetary contributions) and total expenditures of $113,025.59. The difference, $13,679.51, represents adjustments and the remaining cash balance at the end of the audit period. During the period covered by the audit, the 2005 Committee reported total contributions of $75,357.80 (inclusive of $98.80 in candidate loans) and total expenditures of

$112,291.60. The majority of the 2005 Committee's activity took place prior to this audit period. Therefore, there is no reason to expect the contributions and expenditures to reconcile. **The audit revealed no material findings. The Committees substantially complied with the disclosure and record-keeping provisions of the San Diego Election Campaign Control Ordinance.**

II. Committee Information

On January 30, 2006, the 2006 Committee file a Statement of Organization with the City Clerk indicating that it qualified as a committee. The 2006 Committee was formed to support the re-election of Kevin Faulconer for the District 2 City Council position in the June 6, 2006, primary election. The Committee has not terminated.

The 2005 Committee was formed to support the election of Kevin Faulconer in the November 8, 2005, District 2 special election and the January 10, 2006, special run-off election. On March 21, 2007, the 2005 Committee filed a Statement of Termination indicating that its filing obligations were completed on January 5, 2007.

The 2005 and 2006 Committees' treasurer was C. April Boling, CPA.

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 Committees' 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 Committees' records and campaign disclosure statements, the Auditor verified that the Committees accurately and timely disclosed all contributions received and all expenditures made and that the Committees 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