THE CITY OF SAN DIEGO

September 19, 2007

Councilmember Donna Frye
Donna Frye for Mayor (ID #1270953)
1161 Cushman Avenue
San Diego, CA 92110-3988

Re: Ethics Commission Audit

Dear Councilmember Frye:

The Ethics Commission audit of the above-referenced committee was concluded on January 31, 2007; a copy of the Final Audit Report is enclosed. This report was presented to and accepted by the Ethics Commission at its February 2007 meeting.

Thank you for your assistance and cooperation during the course of the audit. Please contact me if you have any questions.

Sincerely,

Francisco Murillo
Auditor

Enclosure

Ethics Commission
1010 Second Avenue, Suite 1530 • San Diego, CA 92101
Tel (619) 533-3476 Fax (619) 533-3448

THE CITY OF SAN DIEGO

FINAL AUDIT REPORT

January 31, 2007

Donna Frye for Mayor (ID #1270953)
1161 Cushman Avenue
San Diego, CA 92110-3988

Treasurer: Carolyn Witt
Grice, Lund & Tarkington
144 West D Street
Encinitas, CA 92024

SAN DIEGO ETHICS COMMISSION AUDIT REPORT:
Donna Frye for Mayor

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Donna Frye for Mayor, Identification Number 1270953 ("the Committee") for the period from July 1, 2004, through December 31, 2005. The Committee was selected for audit by the Ethics Commission at a random drawing conducted on April 25, 2005. The audit was conducted to determine whether the Committee materially complied with the requirements and prohibitions imposed by the California Political Reform Act [PRA] (Government Code Section 81000, *et seq.*) and the City of San Diego's Election Campaign Control Ordinance [ECCO] (San Diego Municipal Code Chapter 2, Article 7, Division 29).

During the period covered by the audit, the Committee reported total contributions of $232,059.07 from 1,717 contributors (including $3,342.31 in non-monetary contributions from 25 contributors) and total expenditures of $230,489.35. **There were no material findings with**

respect to this Audit Report. The Committee substantially complied with the disclosure and record-keeping provisions of the PRA and ECCO.

II. Committee Information

On September 29, 2004, the Committee filed a Statement of Organization (Form 501) with the San Diego City Clerk indicating that it qualified as a committee. The Committee was formed to support the election of Donna Frye for Mayor in the November 2, 2004, election. According to the Audit Manual, if a committee controlled by a candidate is selected for audit at the random drawing, then any other committees controlled by the same candidate during the audit period shall be included in the audit. As of December 31, 2005, the Committee had four (4) Legal Defense Funds (LDFs), all of which were included in this audit.

This audit did not include the Donna Frye for Mayor-2005 Committee (ID #1276908) which was open during a short portion of the audit period for the following reasons: (1) the primary Committee selected for audit was inactive (with the exception of legal defense fund activity) during the short time period that it overlapped with the 2005 Committee; and (2) the 2005 Committee will be included in the pool of committees subject to audit in 2007.

The Committee has terminated the following LDFs:

Name	Termination date
LDF #3 (League)	May 16, 2005
LDF #1 (Howard)	July 14, 2005
LDF #2 (Kruger)	July 14, 2005

The Committee and LDF #4 (Audit) have not terminated as of December 31, 2006. The Committee's treasurer is Carolyn Witt of Grice, Lund & Tarkington LLP.

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 and the guidelines set forth in the Ethics Commission Audit Manual. 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 timely disclosed all contributions received and all expenditures made and that the Committee maintained all 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 PRA and ECCO.**

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Francisco Murillo, CPA — Date
Ethics Commission Auditor

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Lauri Davis — Date
Senior Investigator