THE CITY OF SAN DIEGO

October 10, 2008

Councilmember Donna Frye
Donna Frye for Mayor – 2005 (ID # 1276908)
c/o Christopher Ward, Treasurer
907-D Hayes Avenue
San Diego, CA 92103

Re: Ethics Commission Audit of Donna Frye for Mayor – 2005 (ID # 1276908)

Dear Mr. Ward:

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 October 9, 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

DIVERSITY
BRINGS US ALL TOGETHER

Ethics Commission
1010 Second Avenue, Suite 1530 • San Diego, CA 92101
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THE CITY OF SAN DIEGO

FINAL AUDIT REPORT

October 2, 2008

Councilmember Donna Frye
Donna Frye for Mayor – 2005
c/o Christopher Ward, Treasurer
907-D Hayes Avenue
San Diego, CA 92103

Treasurer: Christopher Ward
907-D Hayes Avenue
San Diego, CA 92103

SAN DIEGO ETHICS COMMISSION
AUDIT REPORT:
Donna Frye for Mayor - 2005

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Donna Frye for Mayor – 2005, Identification Number 1276908 ("the 2005 Committee") for the period from May 9, 2005, 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. 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, Donna Frye for Mayor, Identification Number 1270953 ("the 2004 Committee") for the period from January 1, 2006[1], through June 1, 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 2005 Committee reported total contributions of $578,794.06 (inclusive of $7,256.71 non-monetary contributions), loans of $1,500.00, and total expenditures of $579,402.47. The difference, $891.59, represents the remaining cash balance at the end of the audit period. During the period covered by the audit, the 2004 Committee reported total contributions of $4,600.00 (inclusive of $3,200.00 in converted loans from the candidate) and total expenditures of $4,599.90. **The**

[1] The 2004 Committee was previously audited by the Ethics Commission for the period from July 1, 2005, through December 31, 2005. This prior audit revealed no material findings.

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 May 16, 2005, the 2005 Committee filed a Statement of Organization with the San Diego City Clerk, indicating that it qualified as a committee. The 2005 Committee was formed to support the election of Donna Frye for Mayor in the July 26, 2005, special election and the November 8, 2005, special run-off election. The 2005 Committee is currently still open. The Committee's treasurer was Carolyn Witt of Grice, Lund & Tarkington LLP; however, the treasurer duties were assumed by Christopher Ward in approximately June 2008.

The 2004 Committee was formed to support the election of Donna Frye as a write-in candidate for Mayor in the November 2, 2004, general election. On June 4, 2007, the 2004 Committee filed a Statement of Termination indicating that its filing obligations were completed on June 1, 2007. The 2004 Committee had one Legal Defense Fund open until June 4, 2007, which was included in this audit. The Committee's treasurer was Carolyn Witt; however, Christopher Ward recently became the point of contact for purposes of this audit.

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 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