THE CITY OF SAN DIEGO

August 12, 2005

C. April Boling, Treasurer
The No on Proposition J Committee
7185 Navajo Road, Suite L
San Diego, CA 92119

Re: Ethics Commission Audit of the No on Proposition J Committee ID #1267732

Dear April:

The Ethics Commission audit of the above-referenced committee is now concluded, and the Final Audit Report is enclosed. This report was presented to the Ethics Commission at its regularly scheduled meeting held on August 11, 2005.

If you have any questions concerning the foregoing, please contact me at your convenience. Thank you for your assistance and cooperation during the course of the audit.

Sincerely,

DeeDee Alari, CPA
Financial Investigator

Enclosure

THE CITY OF SAN DIEGO

FINAL AUDIT REPORT

August 11, 2005

The No on Proposition J Committee
C. April Boling, Treasurer
7185 Navajo Road, Suite L
San Diego, CA 92119

SAN DIEGO ETHICS COMMISSION
AUDIT REPORT:
The No on Proposition J Committee

I. Introduction

This Audit Report contains information pertaining to the audit of the No on Proposition J Committee, Identification Number 1267732 (the "Committee") for the period from July 29, 2004, through March 6, 2005. The audit was conducted to determine whether the Committee materially complied with the requirements and prohibitions imposed by the Political Reform Act ("the Act") (Government Code Section 81000, *et seq.*) and 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 received of $477,078.16 (including $29,900.72 in non-monetary contributions) and total payments made of $452,252.00 (including $10,596.34 of surplus funds refunded to contributors). The difference between monetary contributions received and payments made was miscellaneous increases to cash totaling $5,074.56. **The audit revealed no material findings.**

II. Committee Information

On July 30, 2004, the Committee filed a Statement of Organization with the San Diego City Clerk indicating that it qualified as a committee on July 29, 2004. The Committee was formed to oppose Proposition J in the November 2, 2004 election. On March 7, 2005, the Committee filed a Recipient Committee Statement of Termination indicating that its filing obligations were completed on March 6, 2005. The Committee's treasurer was C. April Boling.

III. Audit Authority

The San Diego Ethics Commission (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 State and 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. **The audit revealed no material findings.**

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DeeDee Alari, CPA — Date
Financial Investigator

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Lauri Davis — Date
Senior Investigator