THE CITY OF SAN DIEGO

FINAL AUDIT REPORT

June 9, 2008

Rich Grosch
Rich Grosch for City Council (ID#1279054)
4967 Saratoga Avenue
San Diego, CA 92107

Lou Ann Gibson, Treasurer
13313 Devon Drive
Jamul, CA 91935

SAN DIEGO ETHICS COMMISSION
AUDIT REPORT:
Rich Grosch for City Council

I. Introduction

This Audit Report contains information pertaining to the audit of the committee Rich Grosch for City Council, Identification Number 1279054 (the "Committee") for the period from August 12, 2005, through July 10, 2006. 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 meeting held on September 13, 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 $64,182 (including non-monetary contributions of $124.40 and loans of $50,000) and total expenditures of $64,181.60. **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

The Committee was formed to support the election of Rich Grosch for Council District 2 in the November 5, 2005, special election. On August 4, 2005, Mr. Grosch filed a Candidate Intention

Statement with the San Diego City Clerk. On August 12, 2005, the Committee filed a Statement of Organization with the San Diego City Clerk and amended the Statement of Organization on August 25, 2005, indicating it qualified as a committee on August 17, 2005. On May 22, 2006, the Committee filed a Statement of Termination indicating that its filing obligations were completed on May 20, 2006. The Committee's treasurer was Mary Lou Gibson.

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 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 San Diego Election Campaign Control Ordinance.**

Rosalba Gomez — 6-9-08
Rosalba Gomez
Ethics Commission Auditor
Date

Lauri Davis — 6-9-08
Lauri Davis
Ethics Commission Senior Investigator
Date