THE CITY OF SAN DIEGO

July 15, 2008

Mayor Jerry Sanders
Jerry Sanders for Mayor (Identification # 1276918)
C/O F. Lawrence Scott Jr., Treasurer
330 Encinitas Blvd., Suite 101
Encinitas, CA 92024-8705

Re: Ethics Commission Audit of Jerry Sanders for Mayor (ID # 1276918)

Dear Mayor Sanders:

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 July 10, 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

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

July 3, 2008

Mayor Jerry Sanders
Jerry Sanders for Mayor (Identification # 1276918)
C/O F. Lawrence Scott Jr., Treasurer
330 Encinitas Blvd., Suite 101
Encinitas, CA 92024-8705

F. Lawrence Scott Jr., Treasurer
Jerry Sanders for Mayor (Identification # 1276918)
330 Encinitas Blvd., Suite 101
Encinitas, CA 92024-8705

SAN DIEGO ETHICS COMMISSION AUDIT REPORT:
Jerry Sanders for Mayor

I. Introduction

This Audit Report contains information pertaining to the audit of the committee Jerry Sanders for Mayor, Identification Number 1276918 (the "Committee") for the period from May 6, 2005, through June 5, 2007. The Committee was selected for audit during a random drawing conducted at 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 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 $1,570,924.24 (including non-monetary contributions of $13,277.65) and total expenditures of $1,566,133.99. **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

On May 12, 2005, the Committee filed a Recipient Committee Statement of Organization with the San Diego City Clerk indicating that it qualified as a committee. The Committee was formed

to support the election of Jerry Sanders for Mayor in the July 26, 2005, special election and the November 5, 2005, special runoff election. On June 18, 2007, the Committee filed a Recipient Committee Statement of Termination indicating that its filing obligations were completed on June 5, 2007. The Committee's treasurers were F. Laurence Scott Jr. and Nancy Haley from Scott & Cronin 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. 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.**

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Rosalba Gomez — Date
Ethics Commission Auditor

_____ _____

Lauri Davis — Date
Ethics Commission Senior Investigator