THE CITY OF SAN DIEGO

September 19, 2007

Phil Thalheimer
Phil Thalheimer for City Council (ID# 1255438)
12382 Darkwood Rd
San Diego, CA 92129

Re: Ethics Commission Audit

Dear Mr. Thalheimer:

The Ethics Commission audit of the above-referenced committee was concluded on April 6, 2007; a copy of the Final Audit Report is enclosed. This report was presented to and accepted by the Ethics Commission at its April 2007 meeting.

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,

Francisco Murillo
Auditor

Enclosure

THE CITY OF SAN DIEGO

FINAL AUDIT REPORT

April 6, 2007

Phil Thalheimer
Phil Thalheimer for City Council (ID# 1255438)
12382 Darkwood Rd
San Diego, CA 92129

Treasurer: C. April Boling, CPA
7185 Navajo Road
San Diego, CA 92119

SAN DIEGO ETHICS COMMISSION AUDIT REPORT:
Phil Thalheimer for City Council

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Phil Thalheimer for City Council, Identification Number 1255438 ("the Committee") for the period from May 30, 2003, through December 31, 2006. 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 $30,575.00 from 213 contributors, total loans from candidate of $1,118,000.00 and total expenditures of $1,146,499.77. **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 June 5, 2003, the Committee filed a Statement of Organization (Form 410) with the San Diego City Clerk indicating that it qualified as a committee on May 30, 2003. The Committee was formed to support the election of Phil Thalheimer for City Council in the November 2, 2004, election.

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 restrictions on contributions, loans, and expenditures;
3. Accuracy of total reported receipts, disbursements, and cash balances as compared to bank records; and
4. 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.**

_____ _____
Francisco Murillo, CPA — Date
Ethics Commission Auditor

_____ _____
Lauri Davis — Date
Senior Investigator

cc: C. April Boling, CPA, Treasurer