THE CITY OF SAN DIEGO

FINAL AUDIT REPORT

June 3, 2010

Mr. Phil Thalheimer
Phil Thalheimer for City Council
PO Box 720332
San Diego, CA 92172-0332

Treasurer: Rozanna Zane
9469 Fairgrove Lane, Unit 303
San Diego, CA 92129-2644

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 January 1, 2007, through December 31, 2009. 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 10, 2009. 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 $559,722.03 (inclusive of $1,607.04 of non-monetary contributions) and total expenditures of $557,525.40. The monetary difference of $589.59 represents the available cash on hand. **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 June 5, 2003, the Committee filed an initial Statement of Organization with the San Diego City Clerk indicating that it qualified as a committee on May 30, 2003. The Committee was originally formed to support the election of Phil Thalheimer for City Council District 1 in the March 2, 2004, primary election and in the November 2, 2004, general election. On June 4, 2007, the Committee filed a new Statement of Organization and Candidate Intention Statement to reflect its intent to support the

election of Mr. Thalheimer for City Council District 1 in the June 3, 2008, primary election and in the November 4, 2008, general election. This audit did not include the activity prior to January 1, 2007, which was the subject of a previous Ethics Commission audit dated April 6, 2007. The Committee has not terminated. The Committee's treasurer is Rozanna Zane.

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 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.**

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Rosalba Gomez — Date
Ethics Commission Auditor

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Lauri Davis — Date
Ethics Commission Senior Investigator