



**SAN FRANCISCO ETHICS COMMISSION
FINAL AUDIT REPORT:**

**Yes on Proposition E San Francisco Kids vs. Big Tobacco, A Coalition of Doctors,
Parents & Community Groups Protecting Youth From Flavored Tobacco Products
and Addiction, Sponsored by Nonprofit Health Organizations
FPPC ID #1398847**

I. Introduction

This Final Audit Report summarizes the audit results for the committee Yes on Proposition E San Francisco Kids vs. Big Tobacco, a Coalition of Doctors, Parents & Community Groups Protecting Youth From Flavored Tobacco Products and Addiction, Sponsored by Nonprofit Health Organizations, FPPC Identification Number 1398847 (“the Committee”), for the period from January 1, 2017 through December 31, 2018. The Committee was selected for audit using an objective criteria method pursuant to San Francisco Campaign and Governmental Conduct Code (“Code”) section 1.150(a) and the Commission’s authority under San Francisco Charter section C3-699-11(4), from a pool of eligible committees active in elections during the 2018 calendar year. The audit was conducted by Ethics Commission staff following the November 2018 City election to determine whether the Committee materially complied with requirements of the Political Reform Act (California Government Code section 81000, et seq.) and supporting regulations, and the San Francisco Campaign Finance Reform Ordinance (San Francisco Campaign & Government Conduct Code Section 1.100, et seq) and supporting regulations.

II. Audit Authority

San Francisco Charter section C3.699-11 authorizes the Ethics Commission to audit campaign statements that are filed with the Commission along with other relevant documents to determine whether a committee materially complied with applicable requirements of State and local laws. Code section 1.150(a) requires the Commission to audit all candidates who receive public financing and authorizes audits of other committees to be initiated irrespective of whether the committee received any public funds.

III. Audit Scope and Procedures

This audit was performed in accordance with generally accepted auditing standards. The audit is based

on documentation provided by the Committee and involved a review of the Committee's filings and records for the period covered by the audit. This review was conducted to determine, among other things:

- A. Compliance with all disclosure requirements pertaining to contributions, expenditures, accrued expenditures, and loans, including itemization when required;
- B. Compliance with applicable filing deadlines;
- C. Compliance with any applicable restrictions on contributions, loans, and expenditures;
- D. Accuracy of total reported receipts, disbursements, and cash balances as compared to bank records; and
- E. Compliance with all record-keeping requirements.

The Commission posts to its website all Audit Reports. The Audit Division forwards Audit Reports to the Commission's Enforcement Division, or other appropriate agency, for review to determine whether any further action regarding findings of non-compliance are warranted. The scope of an audit is not exhaustive of all conduct by a committee during the audit period and conduct by a committee not identified as a material finding in an Audit Report may be subject to investigation and possible enforcement action by the Ethics Commission or another agency with jurisdiction to enforce applicable laws.

IV. Committee Information

The Committee was initially formed in September 2017 under the name "San Francisco vs Big Tobacco a Coalition of Doctors, Parents & Community Groups Protecting Youth From Flavored Tobacco Products and Addiction, Sponsored by Nonprofit Health Organizations." The Committee was primarily formed to "uphold ordinance banning the sale of flavored tobacco products" in San Francisco. The ordinance referenced was later designated as Proposition E, slated to appear on the June 6, 2018 San Francisco ballot. Following this designation, the Committee filed an amended Statement of Organization in March 2018 to re-name the Committee as "Yes on Proposition E San Francisco Kids vs. Big Tobacco, a Coalition of Doctors, Parents & Community Groups Protecting Youth From Flavored Tobacco Products and Addiction, Sponsored by Nonprofit Health Organizations".

For the period of this audit, Naphtali Offen served as Treasurer. Over the course of the audit period the Committee received \$2,253,809 in contributions (including non-monetary contributions of \$43,785). The Committee incurred \$1,592,947 in qualified campaign expenditures (including non-monetary contributions of \$43,785).

V. Audit Findings

The Commission determined that there were no material findings with respect to the audit of the Committee.