



San Francisco Ethics Commission

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Campaign Finance Audit Report Eduard Navarro for Supervisor 2024 (ID # 1467649)

October 31, 2025

I. Introduction

This Audit Report summarizes the audit results for the committee Eduard Navarro for Supervisor 2024, FPPC ID # 1467649 (the "Committee"), for the period January 1, 2024, through December 31, 2024. The audit was conducted by Ethics Commission audit staff to determine whether the Committee materially complied with applicable state and local campaign finance laws during the November 2024 election.

II. Audit Authority

San Francisco Charter Section C3.699-11 authorizes the Ethics Commission (the "Commission") to "audit campaign statements and other relevant documents" of campaign committees that file with the Commission. San Francisco Campaign and Governmental Conduct Code ("C&GCC") Section 1.150(a) requires the Commission to audit all committees of candidates who have received public financing and authorizes the Commission to initiate targeted audits of other committees at its discretion.

III. Objective and Scope

The objective of the audit was to reasonably determine whether the Committee materially complied with requirements of the San Francisco Campaign Finance Reform Ordinance (C&GCC Section 1.100, et seq., and supporting regulations) and the California Political Reform Act (California Government Code Section 81000, et seq., and supporting regulations).

The audit was conducted based on an analysis of the Committee's filings and support documentation obtained from the Committee. A complete summary of the audit's objectives and the methods used to address those objectives appears in Appendix A.

IV. Committee Information

The Committee qualified as a committee on March 10, 2024, as a candidate-controlled committee supporting the election of Eduard Navarro (the "Candidate") to the office of District 3 Supervisor in the November 5, 2024, election. The Committee was terminated effective June 30, 2025.

Max Coston served as the Committee's treasurer (the "Treasurer") beginning May 7, 2024. Before that, the Candidate served as the Committee's treasurer. Max Coston was the primary audit contact on behalf of the Committee during the audit.

For the period covered by the audit, the Committee reported receiving \$96,679—including \$22,459 in monetary contributions, no nonmonetary contributions, and \$74,220 in public financing—and making or incurring \$96,399 in expenditures.

V. Material Audit Findings

Material findings represent instances of noncompliance that Auditors determined to be significant based on the frequency of occurrence within a representative sample, or based on the significance of the dollar amount, the percentage of total activity, or the importance of the item to the purposes of state or local law.

Auditors identified no material findings during the audit.

VI. Other Identified Findings

Auditors identified the following non-material findings during the audit. These findings represent instances of noncompliance discovered through review of the Committee’s filings and support documentation and through testing of sampled transactions that were determined not to be material in terms of frequency or dollar amount. This information is reported for the awareness of committees and treasurers and to facilitate the tracking of trends across audit reports.

Finding VI-1. The Committee did not dispose of surplus equipment it had purchased until after it had terminated, potentially causing the expenditures to be unallowable

Applicable Law

All contributions deposited into a candidate’s campaign account are deemed to be held in trust for expenses associated with the election of the candidate. Gov’t Code § 89510(b). An expenditure to seek office is within the lawful execution of this trust if it is reasonably related to a political purpose. *Id.* § 89512(a). Expenditures conferring a substantial personal benefit must be directly related to a political purpose. *Id.*

A “substantial personal benefit” occurs when an expenditure of campaign funds results in a direct personal benefit of more than \$200 to a candidate or any individual with authority to approve the expenditure of campaign funds. *Id.* § 89511(b)(3).

An expenditure of campaign funds results in a “direct personal benefit” when, within six months of the expenditure, the candidate or individual with authority to approve the expenditure of campaign funds, or member of their immediate family, realizes an increase in income or assets or makes personal use of an asset obtained as a result of the expenditure. 2 CCR § 18960(a).

Campaign funds may not be used for the purchase, lease, or refurbishment of any appliance or equipment, where the legal title resides, in whole or in part, in a candidate, campaign treasurer, or any

individuals with authority to approve the expenditure of campaign funds, or an immediate family member of one of those individuals. Gov't Code § 89517(a). An appliance or equipment is considered to be directly related to a political purpose as long as its use for other purposes is only incidental to its use for political purposes. *Id.* § 89517(c).

Use of any appliance or equipment is "incidental" to its use for political purposes only if the use occurs in conjunction with its use for an allowable purpose, the value of the use constitutes 5% or less of the total use of the item in any one calendar month, and the value of the use does not exceed a fair market value of \$100 in any calendar month. 2 CCR § 18961(a).

"Campaign funds" held by the committee of a candidate for elective office include contributions, cash, cash equivalents, and other assets received or possessed by a committee. Gov't Code § 89511(a)-(b)(1).

Upon the 90th day following the end of the post-election reporting period following the defeat of a candidate for elective office, campaign funds under the control of the former candidate shall be considered surplus campaign funds. *Id.* § 89519(a). Surplus campaign funds may be used only for specified purposes, including the payment of outstanding campaign debts, the repayment of contributions, and donations to bona fide charitable organizations, provided no substantial part of the proceeds has a material financial effect on the former candidate. *Id.* § 89519(b).

Analysis

Auditors examined support records for 16 reported expenditures totaling \$7,025, of which Auditors determined that \$6,756 (7.0% of the Committee's total reported expenditures) paid for various non-perishable physical assets. As summarized in the table at the end of this finding, these expenditures were primarily for sound and filming equipment, cooking equipment, and various products associated with hosting an event. Based on the file names of accompanying invoices and receipts provided by the Committee, as well as the dates of purchase, a majority of these expenditures appear to be associated with a single event hosted by the Committee on October 5, 2024, titled "The Great Paella Block Party – Eduard Navarro for D3 Supervisor." Supporting documentation did not indicate that the equipment was rented or otherwise returned to the vendors.

Because these assets were likely surplus campaign funds under state law, Auditors sought to determine how the Committee disposed of the equipment. As assets received or possessed by the Committee, the equipment qualified as campaign funds pursuant to Section 89511(b)(1). Accordingly, on February 3, 2025, the 90th day following the election, those campaign funds became surplus and were required to be disposed of in a manner allowed by Section 89519(b).

On July 8, 2025, Auditors asked the Treasurer whether these assets had been disposed of or donated. The Treasurer stated that, to his knowledge, the Committee had not yet disposed of or donated the assets. After further inquiries, Auditors were provided a letter from the 501(c)(3) nonprofit organization Red Dot Ranch dated October 10, 2025, asserting that the Committee had donated the equipment itemized in the table below to the nonprofit starting on July 11, 2025. Auditors confirmed the

authenticity of the letter with Red Dot Ranch co-founder Karen Curtiss, though Auditors did not receive other evidence demonstrating the timing of the donation. The Committee also did not provide records indicating who had been in possession of the equipment between November 2024 and July 2025.

Notwithstanding the eventual donation of the surplus equipment, the approximately eight-month period following the election during which individuals associated with the campaign were in possession may have caused the expenditures not to be for an allowable purpose. Following the election, any use of the equipment would not be reasonably or directly related to a political purpose, which would cause expenditures for those items to be potentially noncompliant under several areas of law. If the Candidate, Treasurer, or any individuals with authority to approve the expenditure of campaign funds, or an immediate family member of one of those individuals, retained legal title of the equipment, the expenditures would be prohibited by Section 89517(a). Additionally, if the Candidate or any individual with authority to approve the expenditure of campaign funds was in possession of any items exceeding \$200, thereby experiencing an increase in assets, that individual would likely be considered to have received a substantial personal benefit pursuant to Section 89511 and Regulation 18960. Finally, any use of the equipment in any month following November 2024 would cause the expenditures to be prohibited by Section 89517(c) and Regulation 18961(a).

This finding illustrates the importance of promptly reselling or donating significant equipment or other assets purchased by a committee following an election, as individuals using or retaining possession of those assets may cause the expenditures to become unlawful. More generally, retaining assets raises concerns about the potential use of campaign funds for personal purposes.

The table below summarizes the expenditures discussed in this finding:

Payee	Receipt Date	Amount	Description
Amazon	7/13/2025	\$306	Gimbal, tripod, video stabilizer
	8/15/2025	\$588	Printer
	9/25/2025	\$174	Gimbal and tripod
		\$237	Teleprompter, microphones
	9/28/2025	\$217	Photography lighting kit
		\$270	Pop up display stand backdrop
		\$261	Rolling cooler, trash bin, beach wagon
		\$108	Pop up canopy tent
	9/29/2025	\$108	Pop up canopy tent
	9/30/2025	\$138	Heavy duty wagon
	10/1/2025	\$159	Velvet ropes & carpet
	10/16/2025	\$516	Microphone equipment, desk lamp
Lowe's	10/4/2025	\$439	Refillable propane tank, cooler, and landscape gravel
Soundboks	9/24/2025	\$442	Battery, charger, and backpack for the speaker
	9/25/2025	\$1,085	Speaker
The Spanish Table	9/30/2025	\$1,709	Paella pans x4, various cooking equipment

Committee Response to Finding

The Treasurer provided the following comment: “The Committee maintained custody of all non-perishable equipment through its termination on June 30, 2025, after which the donation process was completed. Regulations do not require committees to report the disposition of such equipment on Form 460, and the Committee reasonably understood that completing the donation within a short period following termination was permissible. The eleven-day gap between termination and donation was minimal, and the property was donated appropriately with written confirmation obtained.”

Auditor Comment

Auditors’ concern regarding this finding arises from the significant amount of time between the initial use of the assets and their donation, as opposed to the short period between the Committee’s termination and the assets’ donation. As noted in this finding, any use of the equipment between November 2024 and July 2025 by the Candidate or individuals with authority to approve expenditures could not be for a political purpose and would likely cause the expenditures to be unallowable.

Finding VI-2. The Committee did not maintain required support records for expenditures

Applicable Law

For each expenditure made of \$25 or more, or a series of payments for a single product or service totaling \$25 or more, committees must maintain records containing the date and amount of the expenditure, the full name and street address of the payee, and a description of the goods or services received, as well as original source documentation including cancelled checks, wire transfers, credit card charge slips, bills, receipts, invoices, statements, or vouchers. *Id.* § 18401(a)(4)(A)-(B).

Candidates, treasurers, and elected officers have a duty to maintain the records necessary to prepare campaign statements and to comply with the recordkeeping requirements of California Government Code Section 84100, et seq. 2 CCR § 18401(a).

Committees must maintain detailed accounts, records, bills, receipts, and other original source documentation as necessary to prepare financial statements for a period of four years. *Id.* § 18401(b); C&GCC § 1.109(a). City law additionally requires committees to provide the Ethics Commission with any requested documents they are required to retain under state or local laws or regulations within ten business days of receiving a request from the Ethics Commission. *Id.* § 1.109(b).

A committee may reimburse a volunteer or paid employee for expenditures made on behalf of the committee if the committee’s treasurer is provided dated receipts and written descriptions for each expenditure. 2 CCR § 18526(a).

Analysis

Auditors reviewed an initial sample of 88 expenditures. After identifying several discrepancies, Auditors expanded their sample to include all remaining expenditures reported on Schedule E, except for recurring ad payments to Meta and Google and transaction fees to ActBlue. From the total sample of 175 expenditures, Auditors identified 7 reported expenditures (4%) totaling \$1,438 for which the Committee did not maintain required records.

Following an initial request for records to the Committee in January 2025, Auditors requested additional records from the Treasurer during the course of the audit as Auditors identified transactions for which support records had not been received. Auditors requested expenditure records on several occasions in July and August 2025, and the Treasurer noted he was not in possession of most of those records but had requested them from the Candidate. As of the date of this report, the Committee did not provide support records for the 15 expenditures discussed in this finding. Auditors note that pursuant to Regulation 18401(a), candidates and treasurers each have a duty to maintain the records necessary to comply with recordkeeping requirements. At a minimum, the Committee did not provide the requested audit records within the ten business days provided by C&GCC Section 1.109(b).

For the five expenditures summarized in the table below, the Committee maintained no support records, including any invoices, contracts, receipts, or other documentation required by Regulation 18401(a)(4). The absence of these records prevented Auditors from verifying the reported payee information, the amount, and the campaign-related purpose of each expenditure.

Payee	Date	Amount
Amazon	9/30/2024	\$30
EasyTech LLC	4/22/2024	\$200
Fernando Canales	10/16/2024	\$190
Michael Lunkes	3/29/2024	\$500
Trader Joe's #200	8/26/2024	\$158

For a reported payment to Catch French Bistro, summarized in the table below, the provided receipt indicated a total meal cost of \$475, but only \$160 was authorized to the debit card and reported by the Committee. The Committee did not provide records demonstrating why the full amount was not attributable to the Committee, or who had paid the remainder of the cost.

Payee	Date	Amount
Catch French Bistro	6/7/2024	\$160

Finally, for the expenditure summarized on the following page, the reported payment was a reimbursement to a campaign volunteer for which the Committee provided a screenshot of an online payment to the volunteer. However, the Committee did not provide dated receipts or written descriptions from the volunteer for the original purchases as required by Regulation 18526(a).

Payee	Date	Amount
Fernando Canales	10/25/2024	\$200

Committee Response to Finding

The Treasurer provided the following comment: “The Committee exercised diligence in retaining expenditure records and maintained documentation for nearly all transactions. The few instances where additional materials were unavailable were isolated and not indicative of any broader issue. Our firm continues to refine internal processes to improve efficiency in collecting and organizing documentation for the committees we serve.”

Finding VI-3. The Committee made a prohibited expenditure that conferred a substantial personal benefit to the Candidate not related to the candidacy for the office

Applicable Law

Funds in a candidate committee's campaign account can only be used for the candidate's own campaign or related office expenses, provided they are reasonably for a legislative, governmental, or political purpose. C&GCC § 1.122(b)(1).

All contributions deposited into a candidate's campaign account are deemed to be held in trust for expenses associated with the election of the candidate. Gov't Code § 89510(b). An expenditure to seek office is within the lawful execution of this trust if it is reasonably related to a political purpose. *Id.* § 89512(a). Expenditures conferring a substantial personal benefit must be directly related to a political purpose. *Id.*

A “substantial personal benefit” occurs when an expenditure of campaign funds results in a direct personal benefit of more than \$200 to a candidate or any individual with authority to approve the expenditure of campaign funds. *Id.* § 89511(b)(3). Any expenditures that confer a substantial personal benefit must be directly related to a political, legislative, or governmental purpose. *Id.* § 89512(a).

An expenditure of campaign funds results in a “direct personal benefit” when, within six months of the expenditure, the candidate or individual with authority to approve the expenditure of campaign funds, or a member of their immediate family, realizes an increase in income or assets or a decrease in expenses or liabilities. 2 CCR § 18960(a).

Analysis

The Committee reported a \$600 expenditure to the LGBTQ+ Victory Institute dated September 15, 2024. A provided email confirmation indicates that this expenditure was for registration to attend the “2024 International LGBTQ Leaders Conference” in Washington, DC, on December 5 to 7, 2024. The registration was for the Candidate and Fernando Canales at a cost of \$300 per person.

Because the date of the conference was one month after the date of the election in which the Candidate was not elected, this expenditure was likely not reasonably nor directly related to a political purpose for the candidacy to the office of District 3 Supervisor. Consequently, this expenditure appears to be prohibited by C&GCC Section 1.122(b)(1) and Government Code Section 89512(a). Additionally, because the registration cost was more than \$200 per person and resulted in a decrease in expenses for the Candidate, the Candidate likely received a substantial personal benefit under Section 89512.

The table below summarizes the expenditure discussed in this finding:

Payee	Date	Amount
LGBTQ+ Victory Institute	9/15/2024	\$600

Committee Response to Finding

The Treasurer provided the following comment: “The registration noted in this finding was arranged independently of the Treasurer’s oversight. The expense was believed to relate to general community-engagement activity around the election period. Our firm will strengthen internal review procedures to ensure that similar expenses are evaluated and documented through the Treasurer’s office before payment in future engagements.”

Finding VI-4. The Committee late-filed mass mailing disclosure statements with improper dates

Applicable Law

Under City law, each time a committee pays for a mass mailing, defined as 200 or more substantially similar pieces of mail that advocates for or against one or more candidates for City elective office, it must file a copy of the mailing and an itemized disclosure statement with the Ethics Commission within 5 business days after the date of the mailing, or within 48 hours if the date of the mailing is within 16 days before the election. C&GCC §§ 1.161(b)(3)(A)-(B), 1.104, incorporating Gov’t Code § 82041.5. Committees comply with this requirement by filing Form SFEC-161. C&GCC Reg. § 1.161-1(a).

Analysis

Auditors inspected support records for four expenditures related to mass mailings and determined that the Committee had late-filed four required Form SFEC-161s. Auditors noted that in three instances, the Committee incorrectly reported the date of the mailing on the Form SFEC-161 as being two to four days later than indicated in the supporting invoices. Relying on the mailing date, or date shipped, as indicated in the support records, Auditors determined that all four Form SFEC-161s were filed late. Pursuant to Section 1.161(b)(3), the Committee was required to file Form SFEC-161s within five business days for a mass mailing shipped on October 14, and within 48 hours for three mass mailings shipped between October 23 and October 30 because they were mailed within 16 days of the election.

The table on the following page summarizes the expenditures discussed in this finding:

Payee	Amount	Date Shipped per Invoice	Date Shipped as Reported	Incorrect Date	Date Filed	Days Late
Autumn Press	\$8,766	10/15/2024	10/17/2024	Yes	10/23/2024	1
	\$8,413	10/23/2024	10/25/2024	Yes	10/30/2024	3
	\$8,670	10/25/2024	10/29/2024	Yes	11/18/2024	22
	\$11,651	10/30/2024	10/30/2024	No	11/18/2024	17

Committee Response to Finding

The Treasurer provided the following comment: “This campaign cycle was the Treasurer’s first experience filing under the City’s local disclosure system, which differs significantly from other jurisdictions governed by the Political Reform Act. Documentation for the exact distribution dates was not immediately available from the vendor, and the Committee relied on an estimated date based on information available at the time of filing. To the Committee’s understanding, the dates reported on Form SFEC-161 accurately reflected the actual distribution dates, which typically differ from invoice dates. While other jurisdictions have not required retention of documentation verifying expected distribution dates, our firm will make efforts to obtain and maintain such records for future committees to ensure clarity and consistency.”

Finding VI-5. The Committee received a prohibited nonmonetary contribution from a company in the form of a discount

Applicable Law

The term “contribution” includes discounted goods or services. Any goods or services received for no charge or at a discount from fair market value, unless the discount is given in the regular course of business to members of the public. 2 CCR § 18215(b)(3).

City law prohibits corporations, limited liability companies, or limited liability partnerships from making contributions to a candidate committee. C&GCC § 1.114(b)

In addition to any other penalty, a committee that receives a contribution which does not comply with the requirements of Section 1.114 must pay promptly the amount received or deposited in excess of the permitted amount to the City and County of San Francisco by delivering the payment to the Ethics Commission for deposit in the City’s General Fund. *Id.* § 1.114(f).

Analysis

The Committee made an expenditure of \$1,928 to The Spanish Table on September 30, 2024, for paella pans and related cooking equipment. Auditors reviewed the receipt for this purchase and noted that the subtotal was \$2,383. A line item beneath the subtotal contained a discount of \$596 and stated, “20% + 5% campaign support and free rental burner.” Based on the wording provided in the receipt, and

assuming the 20% discount was available to the general public, it appears that, at a minimum, the Committee received a 5% discount because it was a political campaign. This discount likely amounts to a prohibited \$119 contribution from a company under Section 1.114(b). Pursuant to Section 1.114(f), the Committee should have forfeited this amount to the City

The table below summarizes the nonmonetary contribution discussed in this finding:

Contributor Name	In-Kind Contribution Amount	Date
The Spanish Table	\$119	9/30/2024

Committee Response to Finding

The Treasurer provided the following comment: “The pricing reflected on the vendor invoice was accepted in good faith as a standard commercial offer. The Committee had no intention of accepting an unlawful contribution, and at the time, there was no indication that the discount was anything other than a routine business promotion. Had the Committee known that the vendor’s intent was not in the regular course of business and could be construed as a non-monetary contribution, it would not have accepted the discount or would have promptly reimbursed the vendor for the amount in question. Our firm will take additional steps in future engagements to verify and document vendor discount terms to avoid uncertainty.”

Finding VI-6. The Committee did not appropriately report expenditures for meals or maintain required records

Applicable Law

State regulation requires additional reporting for itemized expenditures for a meal not related to travel. A committee must disclose the date of the meal, the number of individuals for whom the expenditure was paid, and whether those individuals included the candidate, a member of the candidate’s household, or an individual with authority to approve expenditures of the committee’s funds. 2 CCR § 18421.7(a)(2).

In addition to the above reporting requirements, state regulation also imposes additional recordkeeping requirements for expenditures for meals. For an itemized expenditure for a meal, the source documentation must include a dated memorandum, or other dated written record, containing the information required to be reported under Regulation 18421.7(a)(2) and the names of all individuals in attendance. *Id.* § 18401(a)(5).

Analysis

Auditors examined support records for four reported expenditures for meals. Though the Committee provided receipts for the four meals, the support records did not include a dated memorandum with the names of those in attendance as required by Regulation 18401(a)(5). In addition, three of the reported

expenditures did not indicate the number of people in attendance as required by Regulation 18421.7(a). Though the Committee indicated for three of the meals that the Candidate was in attendance, without a written memorandum, Auditors could not confirm whether any individual with the authority to approve expenditures or a member of the Candidate's household was present.

The table below summarizes the expenditures discussed in this finding:

Payee	Date	Amount	Reported Description
R&G Lounge	4/27/2024	\$105	Thank you meal between Candidate and Volunteers – 04/27/2024
Hunan House	6/25/2024	\$127	Volunteer Dinner with volunteers and the candidate
Fior D'Italia	7/30/2024	\$198	Post debate meal with three campaign volunteers and the candidate – 07/30/2024
China Live	9/13/2024	\$147	Strategy Dinner

Committee Response to Finding

The Treasurer provided the following comment: "The Candidate supplied attendee information for each meal in an informal manner at the time. Records retained included the date, vendor, and purpose of each expense. Our firm will ensure that formal documentation for meals and travel, such as attendee lists and purpose notes, is consistently retained alongside receipts in future committee files."

Finding VI-7. The Committee did not appropriately report subvendor information for an expenditure made by an agent of greater than \$500

Applicable Law

Committees are required to report expenditures made by an agent or independent contractor of a committee of \$500 or greater, other than expenditures for the agent's or independent contractor's overhead and normal operating expenses, as if the expenditures were made directly by the committee. Gov't Code § 84303(a).

A subvendor who provides goods or services to or for the benefit of a committee must make known to the agent or independent contractor all of the information required to be reported by this section, who in turn must make that information known to the committee. *Id.* § 84303(b).

For each person to whom a committee has made an expenditure of \$100 or more, the committee must disclose the full name and street address of the payee, amount of each expenditure, and a brief description of the consideration received. *Id.* § 84211(k). Local law additionally requires a committee to report the date of each expenditure required to be disclosed. C&GCC § 1.112(a)(4).

Analysis

Auditors reviewed supporting invoices for four reported expenditures to Autumn Press for mass mailings. Each of the four invoices include an amount paid to the United States Postal Service (“USPS”) for postage costs. As each payment was a payment by an agent to a subvendor of over \$500, each of the four costs were required to be reported on Schedule G (Payments Made by an Agent or Independent Contractor) of the Form 460. However, the Committee reported only two subvendor payments to USPS, thereby failing to report two payments by an agent totaling \$11,806.

The table below summarizes the subvendor expenditures discussed in this finding:

Payee	Subvendor	Date per Invoice	Amount per Invoice
Autumn Press	Not Reported	10/25/2024	\$5,004
		10/30/2024	\$6,802

Committee Response to Finding

The Treasurer provided the following comment: “This matter appears to have resulted from an unintentional oversight during a period of high campaign activity. Our firm will continue monitoring sub vendor reporting processes to ensure complete disclosure in future engagements.”

Finding VI-8. The Committee reimbursed a volunteer for payments the volunteer had not made

Applicable Law

A committee may reimburse a volunteer or paid employee for expenditures made on behalf of the committee if the committee’s treasurer is provided dated receipts and written descriptions for each expenditure, and the reimbursement is paid within 45 calendar days of the expenditure being made. 2 CCR § 18526(a).

Analysis

The Committee reported a \$349 expenditure to Ariana Ghanem dated October 25, 2024. Support records indicated that this expenditure was a reimbursement for expenses paid by Ghanem to T-Mobile. Auditors reviewed several monthly T-Mobile phone bills which showed that Ghanem paid for multiple phone lines. Auditors also reviewed a spreadsheet prepared by the Committee that included a breakdown of which phone lines were used for campaign purposes and which were personal lines, and a calculation of the reimbursement amounts.

One of the phone lines noted as being used for campaign purposes had seven monthly charges averaging \$36 that were included in the reimbursement to Ghanem. However, upon inspection of the individual phone bills, Auditors determined that this specific phone line was fully discounted for six of those months, such that Ghanem did not make any payment associated with that line. Nevertheless, the Committee reimbursed Ghanem a total of \$218 associated with six months of payments for that phone line. Accordingly, the receipts provided by Ghanem pursuant to Regulation 18526(a) did not support the

amount paid by the Committee as a reimbursement, and the Committee reimbursed Ghanem for payments she had not made.

The table below summarizes the expenditure discussed in this finding:

Payee	Amount	Date
Ariana Ghanem	10/25/2024	\$349

Committee Response to Finding

The Treasurer provided the following comment: “The Committee disagrees with the auditors’ characterization. The reimbursement in question was based on billing statements showing actual campaign-related costs. The Treasurer understands that parts of the reimbursement process were coordinated directly by the Candidate, and the Committee’s records indicate that the payment corresponded appropriately to the documented expenses.”

Auditor Comment

The aforementioned billing statements show that the phone line used for campaign purposes was fully discounted. While the Committee may have needed to report the fair market value of this phone line as a nonmonetary contribution to the extent that the Committee benefitted from use of the phone line without paying the vendor, this finding concerns the improper reimbursement of a campaign volunteer for expenses the volunteer had not paid.

VII. Conclusion

Except as noted in the audit findings sections above, and based on the evidence obtained, Auditors conclude that the Committee substantially complied with the requirements of the California Political Reform Act and the San Francisco Campaign and Governmental Conduct Code. The Committee was provided a copy of this report and an opportunity to respond. The Committee’s comments are included in this report alongside the relevant finding.

This report and the support documentation on which it is based will be forwarded to the Commission’s Enforcement Division for further investigation and/or enforcement action as warranted. The scope of the audit is not exhaustive of all conduct of the Committee during the audit period, and any subsequent enforcement action may include conduct not covered in this report.

This Audit Report is intended to provide information about the Committee’s activities and its compliance with campaign finance requirements to the Commission, the Committee and its Treasurer, and San Francisco voters. This report, and all Audit Reports prepared by the Commission, will be posted to the Commission’s website at **sfethics.org**.

Appendix A

Objectives and Methodology

Audit Objective	Methodology
Determine whether disclosed campaign finance activity materially agrees with activity in the Committee's bank account.	• Calculated total reported contributions and expenditures in the Committee's filings and total reported credits and debits in the Committee's bank statements. • Applied adjustments as needed to account for variations in transaction reporting between sources.
Determine whether the Committee accepted contributions from allowable sources and in accordance with limits, appropriately disclosed those contributions, and maintained required contribution records.	• Reviewed contributions submitted for public funds matching for compliance with limits and accuracy of contributor information. • Selected a statistically significant sample at a 95% confidence level and a 3.5% margin of error based on the total number of reported contribution transactions. Selected samples for testing from a range of periods, sources, and payment methods. • Reviewed each sampled transaction for compliance with state and local requirements regarding contribution restrictions, disclosure, and recordkeeping. • Performed additional targeted testing of contributions identified through analysis of filing data and support records. • Utilized automated procedures to analyze data extracted from the Committee's filings. Identified contributions from prohibited sources and late-reported transactions. Verified identified noncompliance against support records.
Determine whether the Committee made expenditures for allowable purposes, appropriately disclosed those expenditures, and maintained required expenditure records.	• Selected a statistically significant sample at a 95% confidence level and a 3.5% margin of error based on the total number of reported expenditure transactions. Selected samples for testing from a range of periods, sources, amounts, vendors, and agents. • Reviewed each sampled transaction for compliance with state and local requirements regarding expenditure restrictions, disclosure, and recordkeeping, including any expenditures made to subvendors by agents or contractors of the committee. • Performed additional targeted testing of expenditures identified through analysis of filing data and support records. • Utilized automated procedures to analyze data extracted from the Committee's filings. Identified late-reported transactions and verified identified noncompliance against support records.
Identify any other evidence of potential noncompliance for inclusion in the audit report or referral for further investigation.	• Analyzed data extracted from the Committee's filings. • Analyzed support records obtained from the Committee.