FY 2015 Application Cover Pages

For San Diego
Tourism Marketing District Funds

APPLICANT ORGANIZATION NAME:
Thunderboats Unlimited Inc., San Diego Bayfair

Mailing Address: 1342 Main Street, Suite B, Ramona, CA 92065
Telephone: 760-789-8870 FAX: 760-789-9034
Website: www.sandiegobayfair.org

Primary Contact Information:
Name: Gregg Mansfield Title: Board of Governors
Telephone: 805-276-5135 FAX:
Email: greggmansfield@gmail.com
Website (if different from above):

BRIEF DESCRIPTION OF YOUR ORGANIZATION OR COMPANY:
Founded by the famed Unlimited hydroplane racer Bill Muncey in 1964, San Diego Bayfair is a giant family entertainment event in Mission Bay Park that features the world’s fastest boats. Bayfair is a nonprofit organization that is overseen by a nine-member Board of Governors and relies on hundreds of volunteers to stage the three-day festival each September. The Board has worked to broaden the event to include live entertainment, freestyle motocross and on-water demonstrations. As part of our charitable mission, we allow free entry into the event for military personnel and host soldiers from area hospitals who were injured in combat.
YOUR ORGANIZATION MISSION STATEMENT OR STATEMENT OF PURPOSE:
- To create and produce in Mission Bay Park an annual festival for the San Diego region with national and international appeal, as outlined in San Diego’s City Municipal Code.
- To provide for Mission Bay Park development improvements through the creation of a charitable benefit, The Mission Bay Endowment Fund.
- To include and support local, regional and national charitable causes, which share the values of the community and giving.

YOUR ORGANIZATION’S PROGRAMS AND SERVICES:
An army of volunteers stages the three-day San Diego Bayfair event in Mission Bay Park, which attracts 93,000 attendees from the Southern California region and throughout the United States. The primary draw to the festival is the fastest boats in the world, H1 Unlimited hydroplanes, as well as a freestyle motocross competition that was added in 2012.

The Board of Governors oversees the major undertaking of turning Ski Beach, Crown Point and Fiesta Island into an event site. Our volunteer Board handles all on-site staging, coordinating safety crews and security, marketing and advertising, permitting, and race site infrastructure.

Approximately 75 race teams (a team has three to 10 members) in various categories compete on Mission Bay. To broaden the appeal, Bayfair featured 30 live bands on two stages, a large kids’ zone on Crown Point, a small microbrew festival and a freestyle motocross exhibition.

The races were televised on the CBS Sports Network and streamed lived on the internet. H1 Unlimited says its streaming from San Diego was viewed by 17,000 people in 15 countries.

San Diego Bayfair saw a drop in overall attendance because of the loss of TMD funding for FY2014. Our organization couldn’t afford to bring both tours into Mission Bay. However, an increase in large display vendors and hospitality tents helped narrow the revenue loss from the lower attendance. To increase attendance (and room nights) in 2014, the Board of Governors is considering these enhancements:

- 50th Anniversary Celebration—To celebrate this significant milestone, Bayfair is planning a series of special events. We are creating a Hall of Fame and will hold an induction party during the weekend. Our board is also going to restore the Bill Muncey Memorial on Ski Beach and bring a collection of antique race boats to Bayfair.

- Wakeboard/speed skiing tour—Pushing forward with the action-sports theme, these tours would be on Crown Point. We estimate there will be at least 40 teams in addition to the 75-plus race teams competing in San Diego.
<table>
<thead>
<tr>
<th>IS YOUR ORGANIZATION A NON-PROFIT ORGANIZATION?</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Yes:</td>
<td></td>
</tr>
<tr>
<td><strong>1) Board of Directors Disclosure:</strong> On a separate sheet, describe the roles and responsibilities of your Board of Directors and attach a roster of your current Board and Officers to the SDTMD Application.</td>
<td></td>
</tr>
<tr>
<td><strong>2) Mandatory Disclosure of Business Interests:</strong> On a separate sheet, disclose the information following these guidelines: Pursuant to section 225 of The City Charter of the City of San Diego, California (&quot;Charter&quot;), all contractors and subcontractors shall make a full and complete disclosure of the name and identity of any and all persons directly or indirectly involved in any transaction funded by, or proposed to be funded by, the SDTMD and the precise nature of all interests of all persons therein. Contractor’s failure to fully disclose all of the information required by Charter section 225, or Contractor’s failure to require each of its subcontractors to fully disclose such information, shall be a default of the Agreement.</td>
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Closing Date of Applicant’s Most Recently Completed Fiscal Year: 12/31/2013

CPA REVIEW/AUDIT (Please answer the following questions)

Does your organization receive a financial audit*? □ Yes ☑ No

If not, were unaudited financial statements prepared? □ Yes □ No

Was a copy of the audit report/financial statements submitted to the City? □ Yes □ No

What period is covered by your most recent audit report/financial statements: 2013

Does your Board of Directors receive and discuss the management letter from the audit report? □ Yes □ No

*NOTE: Contractors receiving $75,000 or more in federal, state, City and/or SDTMD funds shall have Financial Statement Audits prepared in accordance with GAAP and audited by an independent Certified Public Accountant, in accordance with Generally Accepted Auditing Standards (GAAS). This audit report shall include the following statements:

a) A statement of expenditure of SDTMD funds by program, to be identified in the same expenditure classifications as contained in the final budget and compared with the budgeted amounts;

b) A statement of revenues and expenditures, and a balance sheet of all funds received by Corporation; and

c) A statement certifying compliance with all terms and conditions of the SDTMD’s contract with Contractor, and that all required reports and disclosures have been submitted, completed by an executive officer of Corporation.

Contractor shall provide the SDTMD a copy of the Financial Statement Audit within 150 calendar days of the end of Contractor’s last complete fiscal year.

Will your organization receive any other public funding in FY 2015? □ Yes ☑ No

If “Yes”, list funding source(s), amount of funding, and dedicated use of funds:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Is your organization applying for any other public funding in FY 2015? □ Yes ☑ No

If “Yes”, list funding source(s), amount of funding requests, and proposed use of funds:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
SDTMD CONTRACT COMPLIANCE (Returning Applicants only)
For the most recent fiscal year - has your organization filed quarterly reports? □ Yes □ No:
What period is covered by your most recently submitted report:______________

REQUIRED ATTACHMENTS (Please check off prior to submittal)
The Completed Application must contain the following required documents in this order:

□ Signed Application Cover Page
□ EXHIBIT A: Proposed Scope of Work Narrative
□ EXHIBIT B: Budget for Proposed Scope of Work by Category
□ EXHIBIT B1: FY 2015 Budget Narrative By Category
□ EXHIBIT E: Targeted Return on Investment In Hotel Room Night Revenue Worksheet
□ EXHIBIT F: Personnel Schedule: Required for all positions being claimed against San Diego Tourism Marketing District Funds.
□ Board of Directors List (if applicable): List of Board of Directors including business names and addresses.
□ Disclosure of Business Interests (if applicable):
□ Audit Compliance Acknowledgement
□ Accounting Compliance Acknowledgement
□ Certificate of Good Standing: Online printout from Secretary of State and Franchise Tax Board www.ss.ca.gov/business. All required filings must be current and the status of the business / corporation must have a current “Active” status.

Authorized Signatory / Title: Gregg Mansfield, Board of Directors
Signature: [Signature] Date: 12-1-13
EXHIBIT A: Proposed Scope of Work Narrative

**Proposed Sales, Marketing:** Although San Diego Bayfair will not be requesting funding for advertising, there will be significant marketing efforts to attract guests to TMD hotel properties. In 2014 Bayfair celebrates its 50th anniversary and is planning a series of events to promote it. Among the planned events are the creation of a Bayfair Hall of Fame and the restoration of the Muncey Memorial on Ski Beach. Other additions, some which were implemented in 2013, will be expanded upon for Bayfair, September 12-14, 2013.

We are continuing to push the action-sports theme and are going to bring in the Hyperlite Wakeboard Tour and/or a speed-skiing tour (skiers travel at speeds nearly 100 mph). The tour’s competitors and support staff stay on average four nights for the three-day event and we expect that will generate an additional 300-plus room nights on top of the 13,600 room nights produced in 2012.

Bayfair is also adding a “Bike-Up” component to the festival, which we believe has great long-term potential. The Board is actively seeking a partnership with the San Diego Bicycle Coalition, where participants ride their bikes to Bayfair to enjoy the races and live entertainment. With the Coalition’s help, we will create partnerships with Bicycle Coalitions from Los Angeles and Orange Counties, Phoenix, Ariz., and Palm Springs.

Most participants will stay at hotels outside the Mission Bay area (Mission Valley and downtown) and then ride to Bayfair. We are seeking partner hotels in those areas to offer discounts or other incentives to get the cyclists to stay at the TMD properties. Our expectation is that the “Bike-Up” will generate 100 to 150 additional room nights the first year.

Bayfair launched a small microbrew festival on Crown Point in 2013 with eight microbrewers. We received a favorable response from the vendors and race fans, and we grow that festival by four or five vendors. We estimate it will produce 30 room nights.

Our event debuted a freestyle motocross exhibition in 2013 and are going to expand it. With proper marketing to Riverside and Indio counties, we are confident this element can help redefine Bayfair.

We are also proposing marketing campaigns to attract the casual boat-racing fan to San Diego Bay during the weekend. This will be accomplished through a combination of bought Internet advertising (Facebook, Google Ads), social media and earned media.

The boat-racing organizations have more than 18,000 followers combined on Facebook and a substantial number of unique visitors to their websites each month. As part of our agreement, the racing bodies will promote the San Diego race during TV shows and collateral material.
Promoting TMD Properties: Because San Diego Bayfair takes place on Mission Bay, the vast majority of participants and out-of-town attendees stay at TMD lodging properties. To ensure they stay within the district, we plan the following:

Participating racing organizations will be sent a letter and information about the TMD District and strongly encouraged to stay at those participating hotels. The letter will include a link to www.sandiego.org.

San Diego Bayfair directs its website users to Racing Hotels to book accommodations. We will make sure the Racing Hotel site offers only hotels within the marketing district. Bayfair is redesigning its website SanDiegoBayfair.org and will have a section that features preferred hotels within the TMD lodging area. The site will be online in early March.

Collaboration with TMD-funded organizations: We are open to working with other TMD-funded organizations, although we don’t know at this time who will receive funding.

Our agreements with H1 Unlimited require that we receive two 30-second commercials per television show that airs from Bayfair. Additionally, H1 Unlimited streams the races live to more than 20,000 unique visitors during the weekend.

Our intention is to give those commercial spots to the San Diego Convention and Visitors Bureau to promote their latest campaign. The television shows traditionally air in November and December, providing a much-needed push for tourism during the slower winter months.
2) Applicant Qualifications

San Diego Bayfair’s Board of Governors collectively has 165-plus years of experience putting on events and festivals. Several of the board members have been part of the event for nearly two decades. It’s this significant experience and relationships that gives us a distinct advantage at organizing and executing Bayfair.

The nonprofit organization and board was formed in 1964 by famed Unlimited hydroplane driver Bill Muncey to bring powerboat racing and a nationally renowned event to San Diego. Many residents don’t realize that San Diego Bayfair was included in the San Diego City Municipal Code to allow for up to 10 days of unmuffled powerboat racing in Mission Bay annually.

The Board and volunteer staff work together throughout to manage and put on Bayfair, which is one of the largest family and sports festival in the region. It’s a partnership with the San Diego Park & Recreation, Police and Fire departments, U.S. Coast Guard and Lifeguards to ensure the event runs smoothly and safely.

3) Budget Assumptions for use of Tourism Marketing District Funds:

Referencing the Budget of Proposed Scope of Work (Attachment “A”), provide a supporting narrative of your proposed budgeted allocation of TMD funds requested.

Funding received from the Tourism Marketing District will go into two categories to stage the event.

Bid fees/team payouts: $80,000

The funding will be used to cover a substantial portion of the appearance fee charged by H1 Unlimited to appear in San Diego. The tour is a significant generator of hotel room nights from race teams and fans who travel to see the Unlimited hydroplanes.

Research $5,000

This money will go toward hiring VisionQuestresearch firm survey the number of room nights generated by Bayfair and to comply with the terms of the TMD contract.

4) Targeted Return on Investment (ROI) in TMD Hotel Room Nights:

Who—Based on past experience, Paradise Point Resort, the Bahia Hotel, Dana Inn and Hilton Hotel in the Mission Bay area are near capacity or either sold out that weekend. Hotels near the Sports Arena and Mission Valley see an increase in occupancy.

Thunderboats Unlimited/San Diego Bayfair, December 2013
When—Bayfair takes place September 12-14, 2014, a time when tourism season is starting to wind down and children have returned to school. Because the event attracts close to 100,000 visitors, area hotels, restaurants and businesses view it as an extra summer weekend. According to a survey commissioned by VisionQuest, visitors stay an average of 2.68 nights and travel approximately 157 miles to attend Bayfair.

Where—Regions that will see the greatest benefit from San Diego Bayfair is the Mission Bay area and the hotels near the Sports Arena. We have race teams that stay in the Hotel Circle region as well as La Jolla but the majority of rooms are within the radius of the event.

How—Bayfair uses VisionQuest research for our demographic information. Mark Testa is the principal of the firm who led the room night and demographic study. His work is well known to the Tourism Marketing District. Mr. Testa can be reached at 858-349-5229.

5) Progress / Success Measurement and Timing

As noted in the prior question, we are contracting with VisionQuest to do a room night and demographic study for 2014. The study should be completed in November 2014 and a copy will be filed with the TMD within the second quarter.

Bayfair is going to again use the ticket service Admit One for online ticket purchases this year. Attendees will be asked if they are going to stay at a hotel and can be directed to a website to book their hotel room in the TMD lodging area. Because consumers provide their addresses for ticket purchases, this allows us to better target our marketing dollars to specific regions.
<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Thunderboats Unlimited/San Diego Bayfair</th>
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<tbody>
<tr>
<td>Total TMD Funds</td>
<td>$85,000</td>
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<tr>
<td>Category:</td>
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<td>A 1.1</td>
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<td>A 1.2</td>
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<td>A 1.4</td>
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<td>A 1.5</td>
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<tr>
<td>Total A Budget</td>
<td></td>
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<tr>
<td>B Budget</td>
<td></td>
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<tr>
<td>TMD Total Budget</td>
<td></td>
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</tbody>
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### Direct Expenses

- **Advertising**
- **Advertising Agency Fees**
- **Bid Fees / Team payouts**
- **Dues / Subscriptions / Memberships**
- **Entertainment**
- **Event Registration Fees**
- **Lead Generation Services**
- **Marketing Materials & Brochures**
- **Meals**
- **Outside Contractors**
- **Personnel Benefits**
- **Personnel Salaries and Wages**
- **Promotional Items**
- **Rentals - booth space**
- **Rentals - remote sales office**
- **Research**
- **Sales Commissions**
- **Special Event Production**
- **Sponsorships**
- **Trade Show Expenses**
- **Training**
- **Travel**

<table>
<thead>
<tr>
<th>Hotel Meeting Sales</th>
<th>Event Management and Group Sales Development</th>
<th>Tourism Development - Travel &amp; Trade</th>
<th>Group Meeting Direct Marketing</th>
<th>Consumer Direct Sales &amp; Marketing Programs</th>
<th>Total A Budget</th>
<th>B Budget</th>
<th>TMD Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$85,000</td>
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</table>

<table>
<thead>
<tr>
<th>Total Direct Expenses</th>
<th>$85,000.00</th>
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### Indirect Cost Allocation (from worksheet)

<table>
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<tr>
<th>Total TMD Expenses</th>
<th>$85,000.00</th>
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*Draft V 1.7*
Organization Name

Indirect Cost Allocation Worksheet

<table>
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<tr>
<th>Budget Category</th>
<th>Total Budget</th>
<th>Indirect Rate Percent</th>
<th>Allocated G&amp;A Dollar</th>
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<tbody>
<tr>
<td>TMD Direct Expenses (exhibit B - page 1)</td>
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</tr>
<tr>
<td>A1.1</td>
<td>$</td>
<td>0%</td>
<td>$</td>
</tr>
<tr>
<td>A1.2</td>
<td>$85,000.00</td>
<td>100%</td>
<td>-</td>
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<tr>
<td>A1.3</td>
<td>-</td>
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<td>A1.5</td>
<td>-</td>
<td>0%</td>
<td>-</td>
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<tr>
<td>TMD Direct</td>
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<td>100%</td>
<td>-</td>
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<tr>
<td>Non-TMD direct program expenses</td>
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<tr>
<td>Total Direct Cost Budget</td>
<td>$85,000.00</td>
<td>100%</td>
<td>$</td>
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</table>

Allowable Indirect Costs (exhibit B - page 2, column C)

Unallowable Indirect Costs (exhibit B - page 2, column B)

Total Organizational budget

$85,000.00

Indirect rate: percentage of individual budget category line to total direct cost budget.

Allocated G&A: Individual budget category indirect rate multiplied by total allowable indirect costs.
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EXHIBIT E
ROI FOR SDTMD FUNDS
FY 2015

ORGANIZATION/PROGRAM NAME: Thunderboats Unlimited/San Diego Bayfair

TMD BENEFIT CATEGORIES:
- MAIN CATEGORY (List one): A3 – Competitive Targeting
- PROGRAM CATEGORIES (List all that apply): A1.2 & A1.3

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<tr>
<th>FY 2015 TARGETED ROI WORKSHEET</th>
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<tr>
<td>All ROI results for awarded TMD funds will be subject to a third-party audit.</td>
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<tr>
<th>TMD FUNDS REQUESTED</th>
<th>A $85,000</th>
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<tbody>
<tr>
<td>DATES OF EVENT OR PROMOTION: September 12-14, 2013</td>
<td></td>
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<tr>
<td>HISTORIC AVERAGE DAILY RATE (ADR) for EVENT OR PROMO DATES*</td>
<td>$128.06</td>
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* USE SAN DIEGO CITY ADR in TMD Hotel Room Night Revenue from Smith Travel Research / SDTA (formerly ConVis)

| Number of TMD Room Nights Historically Generated by Event or Promotion | 13,664 |
| Total Estimated TMD Room Night Revenue @ above ADR | $1,747,250 |

| Number of NEW TMD Room Nights Generated by Event or Promotion ** | 550 |
| Total Estimated NEW TMD Room Night Revenue @ above ADR | $70,433 |

| TOTAL ESTIMATED SAN DIEGO CITY TMD ROOM NIGHTS (combined) | 14,194 |
| TOTAL ESTIMATED SD CITY TMD ROOM NIGHT REVENUE (combined) | B $1,817,683 |

TOTAL RETURN ON INVESTMENT
Total TMD Room Night Revenue Generated : TMD Funds Requested
( $/A : 23.81 : 1 )

MEDIA IMPRESSIONS (If Applicable):

- International Media (attach separate page if necessary)
- National / Regional Media (attach separate page if necessary)
- Web (attach separate page if necessary)
Mandatory Disclosure of Business Interest for San Diego Bayfair

Jeff Thomas, United Rentals, 12206 Industry Road, Lakeside, CA 92040
Bob Davies, Davies Electric Co., 9085 Kenamar Drive, San Diego, CA 92121
Ned Ardagna, Ardagna & Ramirez, LLP, 571 3rd Avenue, Chula Vista, CA 91910
Dennis Dean, Deanco Industrial Tires, 755 Vernon Way, El Cajon, CA 92020
James Kidrick, San Diego Air & Space Museum, 2001 Pan America Plaza, San Diego, CA 92101
Gregg Mansfield, HispanicBusiness, 5385 Hollister Ave., Ventura, CA 93111
Mike Koblikska, U.S. Forest Service, 10845 Rancho Bernardo Blvd., Suite 200, San Diego, CA 92127
Dave Rodger, Live Entertainment, 3857 Violet St., La Mesa, CA 91941
San Diego Bayfair Board of Governors Responsibilities

Jeff Thomas, Chairman—Oversees general operations for the event, including budgets and finance. He also serves as the contact with the racing organizations and government officials.

Bob Davies, President—Responsibilities include securing all permits, insurance and directs contractors. Additionally, he oversees the set up and teardown of the event site. Mr. Davies coordinates the volunteers and is the primary contact with security, police and fire.

Ned Ardagna, Vice President—Reviews and writes all legal contracts for Bayfair. He provides counsel to the Board to reduce potential legal exposure.

Dennis Dean, Secretary—Handles logistics and setup of the race teams on Ski Beach. Mr. Dean oversees general safety in the “hot pits” on Ski Beach and the shores of Mission Bay Park.

James Kidrick, Director—Negotiate contracts and works with sponsors to fulfill Bayfair’s obligations. Mr. Kidrick is responsible for the daily race schedules and makes sure the sanctioning bodies adhere to it.

Gregg Mansfield, Director—Coordinates all advertising, handles public relations and social media in addition to the website for Bayfair. Additionally, seeks sponsorships/partnerships and works as a liaison with those companies.

Mike Kobliska, Director—Serves as the lead for on-water and fire safety crews on the three islands. Mr. Kobliska also works directly with our private security firm and San Diego police and fire agencies.

Dave Rodger, Director—Organizes the entertainment for San Diego Bayfair and is tasked with finding sponsors and seeking new partnerships for the Bayfair organization.
AUDIT COMPLIANCE ACKNOWLEDGEMENT:

See Page 29 of SDTMD Guidelines and Application:

Contractors receiving $75,000 or more in federal, state, city and/or SDTMD funds shall have Financial Statement Audits prepared in accordance with GAAP and audited by an independent Certified Public Accountant, in accordance with Generally Accepted Auditing Standards [GAAS]. This audit report shall include the following statements:

a) A statement of expenditure of SDTMD funds by program, to be identified in the same expenditure classifications as contained in the final budget and compared with the budgeted amounts;

b) A statement of revenues and expenditures, and a balance sheet of all funds received by Corporation; and

c) A statement certifying compliance with all terms and conditions of the SDTMD's contract with Contractor, and that all required reports and disclosures have been submitted, completed by an executive officer of Corporation.

Contractor shall provide the SDTMD a copy of the Financial Statement Audit within 150 calendar days of the end of Contractor's last complete fiscal year.

I have read and understand the Audit Compliance Acknowledgement:

[Signature]

Name: Printed / Typed

[Signature]

Name: Signature

[Date]

Date
### Corporation

**THE THUNDERBOATS UNLIMITED CLUB, INC.**

<table>
<thead>
<tr>
<th>Number: C0983740</th>
<th>Incorporation Date: 5/21/1980</th>
<th>Status: Active</th>
</tr>
</thead>
</table>

**Jurisdiction:** CA  
Type: Domestic Nonprofit  

**Address:**
1342 MAIN ST. #B,  
RAMONA, CA 92065

**Agent For Service Of Process:**
NED ARDAGNA  
571 THIRD AVE.,  
CHULA VISTA, CA 91910

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Please review this information to determine if you have located the correct corporation.