San Diego Daily Transcript
CERTIFICATE OF PUBLICATION

Lorin Stewart
San Diego Tourism Marketing District Corporation
8880 Rio San Diego Drive
Suite 800
San Diego CA 92108

IN THE MATTER OF

RFP CPA Accounting Services

I, C Davis, am a citizen of the United States and a resident of the county aforesaid; I am over the age of eighteen years, and not party to or interested in the above entitled matter. I am the principal clerk of the San Diego Daily Transcript, a newspaper of general circulation, printed and published daily, except on Saturdays and Sundays, in the City of San Diego, County of San Diego and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of San Diego, State of California, under the date of January 23, 1909, Decree No. 14894; and the

I certify under penalty of perjury that the forgoing is true and correct.

Dated at San Diego, California this June 4, 2014

Signature

[Signature]
San Diego Tourism Marketing District Corporation - Request for Proposal
“CPA – Accounting Services”

OBJECTIVE: The San Diego Tourism Marketing District Corporation (SDTMD Corp.) seeks to engage a full-service CPA firm, with extensive experience in providing accounting and tax services for not-for-profit organizations within City of San Diego, to provide the Corporation with all required accounting services. To this end, the SDTMD Corp. announces a Request for Proposal (RFP) from qualified professionals.

SCOPE OF WORK - Including but not limited to:
- Compiling Financial Statements on a regular basis;
- Providing extensive bookkeeping services including posting transactions to the SDTMD Corporation’s general ledger; proposing adjustments or corrections to journal entries to be reviewed by SDTMD management, preparing trial balances based upon the adjustments of the general ledger, performing bank reconciliations;
- Maintaining TMD’s financial records;
- Processing TMD grant recipients’ reimbursement requests and preparing timely reconciliation submissions to the City of San Diego;
- Monitoring TMD grant recipients’ contract compliance;
- Designing accounting systems on an as needed basis in concert with the City of San Diego such as the recent cost allocation methodology for TMD contractors.
- Attending all SDTMD Corporation meetings as required;
- Support for SDTMD Corp. annual budgeting process, Report of Activities, and provide budget to actual analysis on a monthly basis.
- Co-ordination with the City of San Diego staff to provide ongoing systems refinements;
- Provide general training, communication, messaging, as needed, to TMD grant recipients;
- Working with outside auditors to help prepare requested schedules and supporting documentation to ensure completion of regular requires audits of the Corporation;

BASIC QUALIFICATIONS:
- Office located in the City of San Diego;
- Experience assisting grant applicants in the design of accounting systems to make their reimbursements accurate, objective and cost-effective;
- Extensive experience and understanding of the depth and breadth of the hospitality and tourism industry in San Diego;
- Strong working relationships with the San Diego City Staff responsible for interfacing with the SDTMD Corporation;
- Quality of references from other clients with similar projects;
- A demonstrated experience with high profile not-for-profit clients;
- A demonstrated experience with the San Diego City Council;
- Adequate staffing and support.

COST ESTIMATE: Propose your estimated costs as a monthly retainer. Estimate monthly time commitment. Identify and estimate additional hard costs as required.

SUBMITTAL PROCEDURES: Please submit your sealed proposal marked “RFP CPA” by 5:00 p.m. - Monday, June 16, 2014* to:

San Diego Tourism Marketing District Corporation
8880 Rio San Diego Drive, Suite 800
San Diego, CA 92108
Attention: Mr. Lorin Stewart, Executive Director

* Late submittals will not be accepted.
Response to San Diego Tourism Marketing District, Inc.’s Request for Proposal
“CPA - Accounting Services”

Submitted by

Batten Accountancy, Inc.
Jere R. Batten, CPA, CFE, President

June 13, 2014

Contact: Jere R. Batten, CPA, CFE   tel: 619-501-6359   jere@battenaccountancy.com

2020 Camino Del Rio North, Suite 810, San Diego, CA 92108

California CPA Licenses:
Batten Accountancy, Inc.  #5688
Jere R. Batten, CPA, CFE  #70215
Amber R. Elam, CPA  #100834

Federal EIN # 20-3662845

We are a full service accounting firm, est. 2005, specializing in outsourced accounting solutions and CFO services for nonprofit organizations, with specialized experience in joint nonprofit/government ventures. CFO services are also provided to closely held businesses. Our Certified Fraud Examiner (CFE) expertise ensures risk management you can trust.
June 13, 2014

Board of Directors  
San Diego Tourism Marketing District, Inc.

Subject: Response to SDTMD’s Request for Proposal “CPA - Accounting Services”

Dear Board Members:

Thank you for the opportunity to provide this proposal for services to meet the CPA - accounting needs of San Diego Tourism Marketing District. The mix of services outlined in our Response is based on our experience in providing comprehensive financial and compliance management services to nonprofit organizations engaged in joint ventures with the City of San Diego.

Our firm is well qualified to provide professional services to San Diego Tourism Marketing District, Inc. We have years of experience providing specialized accounting, compliance and educational services to nonprofit organizations. This focus reflects Jere Batten’s 20 year dedication to civic participation. She has been an active volunteer serving on event committees and has held the board positions of Treasurer and President for numerous organizations throughout the last two decades.

We are a full service public accounting firm with a strong personal commitment to our clients and are committed to providing the highest possible level of service.

I. Firm’s Qualifications

Qualifications and Related Experience

SDTMD fits with the specialized focus of our firm to provide outsourced accounting and CFO services to nonprofit organizations, including those engaged in joint nonprofit/government ventures.

Our experience and qualifications include:

- Broad finance, audit, nonprofit and fraud experience
- Well established, collaborative working relationships with San Diego public officials and contract administration staff who oversee private/public joint ventures
- Experience in senior financial management and partnering with executive staff to develop creative financial strategies
- Experience managing CFO functions for complex nonprofits with government and private funding
- Significant experience in nonprofit fund and grant accounting, compliance and reporting
- Comprehensive knowledge of laws, regulatory and reporting requirements, risk management
- Extensive experience and understanding of the depth and breadth of the hospitality and tourism industry.

Experience

San Diego Tourism Marketing Corporation (SDTMD)
Annual Gross Revenues: approximately $30,000,000
Project Manager: Jere R. Batten, CPA, CFE
Client contact/reference: Lorin Stewart, Executive Director, 8880 Rio San Diego Drive #800, San Diego, CA 92108, 619-209-6108, lstewart@SDTMD.org
Batten Accountancy, Inc. has been providing Batten CFO Services for SDTMD since their operational inception. For the newly formed organization, we established an accounting system around the organization’s contract with the City of San Diego that provided transparency to the City on all financial transactions. We designed and implemented a system of internal controls and financial reporting to ensure compliance with the City, the contractors, and the auditors.

We are responsible for recording transactions, reconciling accounts, monitoring contractors’ expenditures against their contract and their approved budget, budgeting, financial reporting, and audit support. We process over $30 million in reimbursement request packets on an annual basis, requiring frequent collaboration with the City to ensure timing of cash flow.

We work closely with Lorin Stewart, the Executive Director, the Board of Directors, and Meredith Dibden-Brown from the City of San Diego to resolve issues with contract implementation, cash flow needs, and unique issues that arise.

During SDTMD’s recent recertification process, our firm collaborated with the City to establish procedures to streamline the reimbursement process, while maintaining a high level of compliance, controls and accountability. Our recommendations are included in the new contract, and are incorporated in the San Diego 40-year plan operating manual.

San Diego Sports Commission/San Diego Hall of Champions
Annual Gross Revenues: approximately, $3,000,000
Project Manager: Amber N. Elam, CPA
Client/reference contact: former Executive Director/current contractor, Alan Kidd 619-723-2269

We were the accounting firm for the San Diego Sports Commission/San Diego Hall of Champions for over twelve years providing traditional bookkeeping and accounting services, primarily performing monthly compilations and budget assistance and annual audit support services. Towards the end of our engagement we expanded our services to provide data input, accounts receivable/payable function, payroll and HR services, monthly compiled financial statements, cash flow analysis, tax preparation, budgeting, and audit support on a regular basis as well as provided management recommendations for strengthening internal controls and streamlining the accounting function.

December Nights: San Diego Hall of Champions had a contract with the City of San Diego for two years to stage December Nights in Balboa Park. During those two years we were involved with the reconciliation of transactions, disbursements, and compliance. Additionally, we performed audits of the December Nights program for the three years prior when we were engaged to audit the Business Improvement District, the former sponsoring organization.

Business Improvement Districts
For three years, 2006-2008, we were the audit firm for the Business Improvement District Council (BIDC) and the Business Improvement District Foundation. In addition to performing the audit, we were required to test and report on the compliance of the BIDC with the contract agreement with the City of San Diego as well as confirm compliance with the numerous BID’s throughout San Diego.

Over the last eight years we have conducted the audit for the Ocean Beach Business Improvement District: Ocean Beach Mainstreet Association.

Our work with the BIDC and individual Business improvement Districts throughout San Diego helped to develop our working relationship with the City of San Diego’s Economic Development Department and Meredith Dibden Brown.
II. Personnel Qualifications

Affirmative statement
Batten Accountancy, Inc. and all assigned key professional personnel are properly registered and licensed in the state of California.

Key Personnel

Project Manager: Jere R. Batten, CPA, CFE, President of Batten Accountancy, Inc.

Reporting to SDTMD Executive Director and Board of Directors, the Project Manager will perform the initial assessment of SDTMD’s needs, design the accounting infrastructure systems, recommend internal controls, advise and assist the board and management in developing budgets, present financial information at Board of Directors meeting, and provide consultation and technical services to SDTMD. She provides oversight of personnel assigned to the project, and is responsible for the quality and accuracy of provided services.

Jere has over 25 years of experience in conducting audits, preparing tax returns, and consulting for small businesses, not-for profit organizations, and individuals. She received her CFE designation in 2002 and specializes in fraud prevention with her clients.

Jere has successfully performed this role for the San Diego Tourism Marketing Corporation since its operational inception.

Senior Finance Accountant: Amber N. Flam, CPA

Reporting to the Project Manager, the Senior Accountant will implement the accounting infrastructure and systems developed for SDTMD and prepare the monthly compiled financial statements. She is responsible for oversight of bookkeeping functions, including maintaining the bank account. She assists with budget development, grant compliance and reporting, and monitoring internal controls.

Amber graduated from San Diego State University in 2005 with a Bachelor of Science in Business Administration, Accounting. She has been a licensed CPA in California since March, 2008. She has been employed by Batten Accountancy, Inc. since 2005.

Amber has successfully performed in this role for San Diego Tourism Marketing Corporation and San Diego Sports Commission/San Diego Hall of Champions

Bookkeeper/Compliance: Zoraida (Z) Singley, B.A. Finance

Reporting to the Senior Accountant and Project Manager, Zoraida monitors contract compliance and works closely with the City of San Diego to ensure timely reimbursement of Contractors. She maintains the books and schedules payments when funds are available.

Zoraida graduated from San Diego State University in 1989 with a Bachelor of Science in Business Administration, Finance. For the four years prior to joining the Batten Accountancy team, Zoraida worked in the accounting departments of the Jewish Community Foundation of San Diego and Whispering Winds Catholic Conference Center. She has been employed by Batten Accountancy, Inc. since 2009.

Zoraida has successfully performed in this role for San Diego Tourism Marketing Corporation since 2009.

III. Approach to Provide Services

Batten Accountancy proposes to provide CPA and accounting services in accordance with the scope of work specified by SDTMD, and as detailed below. Services will be accurate and timely, and ensure that SDTMD:
• properly accounts for all transactions and ensures fiscal accountability
• complies with contractual, and regulatory requirements
• has accurate, actionable financial data reports to use as monitoring and management tools

Batten will oversee the financial and compliance matters of SDTMD. We will work collaboratively with staff, management, the Board of Directors, and City Administrative staff to develop and implement strategies across the organization. Anticipated responsibilities are shown below.

A. Finance
• Oversee cash flow planning
• Oversee cash, investment and asset management
• Oversee financing strategies and activities, and banking relationships
• Develop activity-based financial analyses to provide management insight

B. Planning, Policy, Donor Relations
• Coordinate the development and monitoring of budgets
• Participate/contribute to policy development
• Collaborate with management and board of directors to develop financial plans and projections
• Represent SDTMD to financial partners- institutions, donors, foundations, government, auditors

C. Accounting Administration
• Oversee the bookkeeping/accounting and ensure proper maintenance of accounting systems
• Ensure maintenance of internal controls and financial procedures
• Ensure timeliness, accuracy and usefulness of financial and management reports
• Prepare monthly and annual financial statements
• Coordinate audits and filing of tax returns
• Ensure legal, regulatory and contractual compliance regarding all financial functions

1) Bookkeeping services

A. Provide extensive bookkeeping services including posting transactions to the SDTMD Corporation’s general ledger (currently using QuickBooks accounting software), propose adjustments or corrections to journal entries to be reviewed by SDTMD’s management, prepare trial balances based upon the adjustments of the general ledger and perform bank reconciliations. In addition we will manage the organization’s accounts receivable with the City of San Diego and manage the accounts payable with SDTMD’s contractors. We will maintain SDTMD’s financial records.

B. Process SDTMD’s contractors reimbursement/reconciliation packages and prepare reconciliation submissions to the City of San Diego within the time frame established within the operating agreement. We will ensure contract compliance with allowable costs, cost allocations and monitor contractor’s budget to actual expenses and provide general training, communication, messaging, as needed to SDTMD’s grant recipients.

C. Accounting system designed and implemented by a CPA- Design chart of accounts and functional departments to meet complex accounting requirements of the new district, provide accurate and actionable financial data, and ensure compliance in all areas.

D. Budget development assistance- Provide support in developing operational and program budgets that correlate with the chart of accounts and functional departments to ensure accurate, usable reports. Assist with the annual Report of Activities, and provide budget to actual analysis on a monthly basis.
E. Accounting and compliance controls by a Certified Fraud Examiner (CFE)- Recommendations for internal control procedures, fraud prevention, and compliance policies conforming to the industry’s best practices will be documented and communicated to the Board of Directors and management for approval and implemented. We will work in co-ordination with the City of San Diego staff to provide ongoing system refinements.

2) Financial reporting
Provide the below listed compiled financial statements and reports on a regular basis. Present, review and discuss with management and directors.

- Regularly compiled financial statements
  - Statement of financial position (balance sheet)
  - Statement of activities (income statement)
  - Cash flow statement
  - Statement of functional expenses

- Monthly reports of financial activity
  - Budget to actual summary & detail
  - Committee reports as requested
  - Accounts receivable aging
  - Accounts payable aging

3) Audit support
Provide financial reporting, documentation of internal controls and supporting work-papers to auditors, annually and on an interim basis, as requested.

4) Reporting requirements
Tax return preparation, and all Federal and State reporting compliance will be performed and completed within the filing deadlines.

5) Support
Telephone, E-mail, meeting, and clerical assistance will be available to SDTMD on an ongoing basis. The ongoing process of internal control development will be supported and recommendations and implementation on technical matters that arise will be provided. We will attend all SDTMD corporate meetings as required.

IV. Fees/Hourly Rates
Professional services rendered in the performance of our engagement will be based on the actual time spent, billed at our non-profit standard hourly rates, which currently range from $95 to $300. Our fee structure encompasses facility and computer usage charges as well as reasonable out-of-pocket expenses such as report production, postage, travel, etc. Our standard hourly rates vary according to the experience level of the personnel assigned to your engagement.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Hourly Rates</th>
</tr>
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<tbody>
<tr>
<td>Bookkeeper/Compliance</td>
<td>$100</td>
</tr>
<tr>
<td>CPA – Senior Financial Accountant</td>
<td>$200</td>
</tr>
<tr>
<td>CPA/CFE/CFO</td>
<td>$300</td>
</tr>
<tr>
<td>Clerical – report production/quality control</td>
<td>$ 95</td>
</tr>
</tbody>
</table>

We estimate that our fees for the bookkeeping/accounting and CFO services outlined in this proposal will range from $15,000 to $20,000 per month based on volume of contractor’s submissions, timing of budget process and audit support, cost allocation modifications, and issues that may arise over the course of our engagement.

Jere R. Batten, CPA, CFE
REQUEST FOR PROPOSAL

SAN DIEGO TOURISM MARKETING DISTRICT CORPORATION

“CPA – Accounting Services”

Closing Date: Monday, June 16, 2014

8880 Rio San Diego, Suite 800
San Diego, California 92108
(619)209-6108
lstewart@sdtmd.org
www.sdtmd.org
**Purpose:** The specific purpose of this private, non-profit corporation is to create a positive economic, fiscal, and employment impact on the lodging businesses in the City of San Diego through the effective and judicious allocation of its revenue and resources to measurably successful tourism sales and marketing programs.

**Board of Directors:**
C. Terry Brown, Chair  
Richard Bartell, Vice Chair  
William Evans, Treasurer  
John Schafer, Secretary  
Luis Barrios  
Jody Blackinton  
Matt Greene  
Keri Robinson  
Tom Voss

**Staff:**
Lorin Stewart, Executive Director

**What is a Tourism Marketing District?**
The San Diego Tourism Marketing District (the *District*) follows the Tourism Business Improvement District (TBID) model, which utilizes the efficiencies of private sector operation in the market-based promotion of local and regional tourism for the targeted benefit of assessed businesses. TBIDs, such as this *District*, allow lodging businesses to organize their efforts to increase tourism, specifically the consumption of hotel rooms as measured by room night stays, achieving economies of scale they could not otherwise achieve.

In San Diego, lodging businesses within the *District* will be assessed and those funds will be used to provide privileges, programs and services directly to the assessed lodging businesses that specifically benefit those businesses.

*District*-funded programs and services designed to deliver incremental new room night sales to assessed businesses may include, but are not limited to:

- Marketing of the Assessed Businesses  
- Tourism Promotion Activities  
- Special Events and Programs

In California, TBIDs such as the *District* are formed pursuant to the Property and Business Improvement District Law of 1994 (PBID Law), the Parking and Business Improvement Area Law of 1989 (BID Law), or pursuant to an ordinance of a Charter City. In San Diego, the *City Council*
adopted a local TBID enabling (procedural) ordinance similar to the 1994 PBID Law. This State statute and the City procedural ordinance allow creation of a special benefit assessment district to raise funds within a specific geographic area, in this case the city of San Diego, for the purpose of improving room occupancy and room night sales for assessed businesses.

**History:**
As a result of diminishing public resources available for effective and competitive destination marketing, local lodging industry leadership began discussing alternative funding sources and available options in 2003. A working group comprised of lodging industry representatives held dozens of meetings with proposed assessed businesses, stakeholder groups and interested parties. On May 8, 2007, at the request of a working group comprised of lodging industry representatives, the San Diego City Council (City Council) adopted the San Diego Tourism Marketing District Procedural Ordinance (SDMC Section 61.2501 et seq.) (Procedural Ordinance), which created a process for creating a tourism marketing district. Subsequently, on August 1, 2011, the City Council adopted amendments to the Procedural Ordinance specifying, among other things, a process by which such a district may be renewed. These amendments permit a renewal term up to forty (40) years.

The San Diego Tourism Marketing District (District) was established pursuant to the Procedural Ordinance effective January 1, 2008 for an initial five-year term that ended on December 31, 2012. Developed by San Diego lodging businesses, the District is a benefit assessment district created to fully or partially fund marketing and sales efforts that directly benefit San Diego lodging businesses. On November 26th, 2012 the City Council renewed the District for a period of thirty-nine and one-half (39.5) additional years. The approved District Management Plan sets forth a plan for District activities and assessments during that renewal period.

**District Location:**
The boundaries of the District are the same as the boundaries of the City of San Diego (see “Assessments and Benefit Categories”).

**Funding Source Entirely from Assessed Lodging Businesses:**
In response to the 2010 Proposition 26 legislation, the renewed district consists of two (2) benefit categories in the District. Each benefit category is designed so that the activities provided in connection with that category will confer exclusive privileges and a specific benefit directly to assessed businesses (current and future). These assessed businesses are defined in Appendix 1 of the District Management Plan: Lodging businesses benefitting under category A include all lodging businesses in the District with thirty (30) or more rooms. Lodging businesses benefitting under category B include all lodging businesses in the District, regardless of size.

For more information on the SDTMD you may reference our website: [www.sdtmd.org](http://www.sdtmd.org)
San Diego Tourism Marketing District Corporation - Request for Proposal
“CPA – Accounting Services”

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