Proposal for Annual Audit Services

December 15, 2014

Prepared for:
Harbor Branch Oceanographic Institute Foundation, Inc.

Saltmarsh, Cleaveland & Gund

Paul Allen, CPA
Shareholder
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December 15, 2014

Katha Kissman
President & CEO
Harbor Branch Oceanographic Institute, Inc.
5600 U.S. 1 North
Fort Pierce, FL 34946

Thank you for the opportunity to submit a proposal to provide auditing services to the Harbor Branch Oceanographic Institute Foundation. In addition to nearly 70 years of providing accounting, auditing and consulting expertise, there are several characteristics that distinguish Saltmarsh among CPA firms and that qualify us to serve you:

1. Your Success Comes First
Making your organization successful is our highest priority. For us, this means delivering outstanding results through exceptional services.

2. Our Commitment to Excellence
The single most important factor in Saltmarsh’s success has been our uncompromising commitment to the highest standards of quality and professionalism. This includes ongoing professional development, contributions to the industry and rigorous quality control. In addition to availability and responsiveness, we have established a reputation for stability, consistency and dependability.

3. Our Not-For-Profit Expertise
Saltmarsh has been serving the needs of not-for-profit and government entities since 1944. Our practice is one of the most experienced in the Southeast, with staff and resources dedicated to these sectors. Our team members are also industry leaders who have the knowledge and experience in this specialty area to provide you with unparalleled accounting, auditing and consulting guidance.

4. Global Resources
As a member of PKF North America, we have access to industry-specific expertise of accounting professionals around the country. Additionally, our association with PKF North America enables us access to global resources through their affiliate network, PKF International. The combination of these associations ensure that you will get the global resources of a national firm paired with the personal attention of a local firm.

5. Sound Advice, Solid Relationships
At Saltmarsh, we forge solid relationships with our clients by providing sound advice. It is how we earn your trust and further your success.

Our industry expertise, resources and determination to make you successful make us the right choice as your CPA firm. We would be honored to serve as your independent auditors and look forward to beginning a prosperous, long-term relationship with you.

Sincerely,

Paul Allen, CPA
Shareholder
Technical Proposal

About Our Firm
Saltmarsh is a large regional tax, accounting and consulting firm, specializing in key industries, including not-for-profit, governmental, utilities, financial institutions, construction, manufacturing and distribution, real estate and other commercial businesses. Deeply rooted in Florida since our founding in 1944, we now serve clients throughout the Southeast from our offices in Orlando, Tampa, Pensacola and Fort Walton Beach. Our extensive experience, industry knowledge and worldwide resources have made us the region’s accounting leader for the not-for-profit and governmental community.

Saltmarsh provides a full range of services, including auditing, accounting, management and marketing consulting, corporate and individual tax planning and preparation, business valuation, litigation support, financial and estate planning, computer systems evaluation, and employee benefits design, implementation, and administration. In the performance of these services, Saltmarsh maintains a high degree of shareholder involvement, which provides our clients with maximum assurance of quality.

The firm has 15 shareholders, 29 senior managers and managers, and 60 other professional staff. Additional data processing and support staff brings the total number of employees to more than 120. Of these, 48 are certified public accountants and 3 are licensed attorneys.

Our Values
We are committed to:
• Operating with integrity and honesty
• Achieving excellence in every aspect of our firm
• Meeting your needs with outstanding, timely service
• Delivering a superior work product
• Offering sound advice based on the most current financial and regulatory information
• Building a solid relationship with you
• Giving you access to global resources
• Using our creativity to find the best solutions and opportunities for you
• Contributing our expertise and resources to the profession and community

Independence
We are independent public accountants with respect to the Harbor Branch Oceanographic Institute pursuant to Rule 101 of the American Institute of Certified Public Accountants and as defined by the U.S. General Accounting Office’s Government Auditing Standards. We evaluate our independence with respect to our audit clients on an annual basis in compliance with our quality control document. In the event that any professional relationships are entered during the period of this engagement, written notice will be provided.

Licensed to Practice in Florida
The firm is licensed to practice in the State of Florida. A current copy of our license, issued by the State, may be referenced in Appendix C. Additionally, a copy of the CPA license for all individual CPA’s assigned to the engagement is included in Appendix B.
Governmental and Tax Exempt Practice
Your audit will be staffed by personnel from our governmental audit team which includes 3 shareholders, 5 senior managers and managers, and more than 10 seniors and staff. Other than the shareholders responsible for the audit, we would anticipate three additional staff to be assigned to your audit on a full time basis. This would include a senior manager. Additional staff with expertise in certain areas may be assigned to complete specified audit areas.

Governmental Auditing Quality Center
Saltmarsh is a member of the AICPA’s Governmental Audit Quality Center for CPA firms. The Center is a national community of CPA firms that 1) demonstrate a commitment to audit quality and 2) raise awareness about the importance of not-for-profit and governmental audits performed under Government Auditing Standards. The Center provides members with best practices, guidelines and tools CPAs need to perform quality audits and better serve their clients.

Members of the Center demonstrate their commitment by voluntarily agreeing to adhere to Center membership requirements, including designating a partner responsible for its governmental audit practice (David Lister is the shareholder responsible for our governmental audit practice), establishing quality control programs, performing annual internal inspection procedures and making the firm’s peer review report findings publicly available.

Federal/State Desk or Field Review
Saltmarsh is proud of the reputation we have attained for providing quality audit work. In addition to desk reviews which are performed on every audit report that is received by the Auditor General of the State of Florida or by a federal cognizant agency, we have been reviewed on several occasions by the Inspector General’s Offices of the Department of Housing and Urban Development, the Department of Health and Human Services, and the Environmental Protection Agency as well as the Office of the Chief Accountant of the Department of Labor. Their findings have occasionally provided suggestions for consideration in future engagements, but have required no additional audit procedures or reports.

There have been no pending disciplinary actions taken against Saltmarsh in the last three years, and we are not aware of any pending disciplinary actions.

Quality Control
Trust is a major factor in your choice of a CPA firm. You need to know that services we provide are conducted entirely in accordance with industry standards.

Peer Review
Saltmarsh participates in the rigorous American Institute of Certified Public Accountants (AICPA) Peer Review Program, which means we are required to maintain a high level of quality control. This program includes a review of our not-for-profit and governmental clients, and we have had a consistent record of unqualified or “clean” opinions. A copy of our two (2) most recent peer review reports are included in Appendix E.

Internal Review
On all assurance engagements, we assign an “independent” shareholder with limited involvement in the account to review the work. This independent examination is required before we release an engagement. Both you and the team benefit from a fresh review of the audit and related financial statements.

We also conduct annual internal performance reviews of all staff, including shareholders.
Disciplinary Action
There have been no pending disciplinary actions taken against Saltmarsh in the last three (3) years with any state regulatory bodies or professional organizations, and we are not aware of any pending disciplinary actions.

Continuing Professional Education
At Saltmarsh, we take ongoing education seriously. Every year, our team members receive a minimum of 40 hours of continuing professional education in subjects related to their practice areas. In addition to attending in-house seminars on a regular basis, they participate in professional industry-related seminars. Supervisory-level audit professionals also participate in leadership development courses sponsored by PKF North America. This is how they stay abreast of the most current issues, regulatory changes, planning techniques and other developments in the field.

In addition, all audit staff members have participated in continuing professional education courses in the field of not-for-profit and governmental accounting and auditing, as required by Government Auditing Standards. Governmental topics at in-house training seminars have included annual updates related to Single Audit standards, governmental accounting and auditing, and fraud. Management-level members typically attend a national governmental accounting and auditing update.

Saltmarsh is also a major provider of continuing professional education to accounting professionals in the greater community. We typically use outside instructors with recognized expertise in their fields to teach these courses.

Our Global Resources: 
The PKF North American Network
Saltmarsh is a member of PKF North American Network (www.pkfnan.org). This association has more than 101 independent accounting and consulting member firms throughout the world and offers a network of experience and expertise of over 10,000 professionals in 13 countries, who have collectively served hundreds of governmental and utilities audit clients. They provide their members with technical support, quality control and continuing professional education. Additionally, our association with PKF North America enables us access to global resources through their affiliate network, PKF International. This allows us to offer you unparalleled access to a wealth of both national and international expertise—which is critical in an ever-changing and expanding marketplace—and to meet virtually any accounting, auditing or consulting need you may have.

The benefits to you include:
- Shared technical resources among member firms, which ensure a high quality work product
- Shared knowledge and skills among member firms, which permit us to provide the expertise to handle any business and/or regulatory issue
- Comprehensive, continuing professional education programs for our team members
- Mandatory peer reviews, which ensure that member firms maintain the highest standards of quality
References
We currently serve approximately 80 not-for-profit and governmental clients throughout the southeastern United States, providing audits for over 40 of these. We also have extensive experience with the GFOA Certificate of Achievement for Excellence in Financial Reporting, having assisted clients in receiving this recognition over 50 times.

Below is a list of references that are similar to governmental auditing work:

University of West Florida Foundation
    Sheri Pope
    (850) 474-3380

West Florida Historic Preservation, Inc.
    Marsha Clark
    (850) 595-5985

Institute for Human and Machine Cognition
    Ronnie Armstrong
    (850) 202-4449
Relevant Not-For-Profit and Government Auditing Experience
Our federal and state single audit experience includes the following:

First Baptist Church of Central Florida
700 Good Homes Road
Orlando, FL 32818
Sharal Henderson
(407) 293-4571

Florida Venture Forum
707 W Azeele Street
Tampa, FL 33606
Pat Schneider
(813) 335-8116

Tampa Educational Channel
703 N Willow Ave.
Tampa, FL 33606
Ann Goldenberg
(813) 254-2253

Community Assisted and Supported Living
1693 Main Street
Sarasota, FL 34236
Scott Eller
(914) 365-8645
Client Losses: Five Year History
We have listed below the five largest clients our firm has lost in the past five years and reasons for loss as requested. For confidentiality purposes, the names of these entities have been excluded.

1. Marine Services Company, Louisiana
Audit client elected to utilize a lower-priced service provider.

2. City, Florida
Audit client rotated to another service provider in a competitive bid.

3. Financial Institution, Florida
Audit/Tax client taken over by the FIDC.

4. Financial Institution, Florida
Outsourced services client rotated services on a routine basis to another service provider.

5. Financial Institution, Florida
Outsourced services client rotated services on a routine basis to another service provider.
Your Client Service Team
The members of your team have extensive experience providing tax, accounting, auditing and consulting services to governmental entities and not-for-profits. To give you the highest quality service possible, all of our audit and tax teams involve one or more shareholders and managers.

Your team will continue to consist of the following members:

- Paul Allen, CPA, Client Shareholder
- David Lister, CPA, Audit Shareholder
- Allison Jones, CPA, Concurring Reviewer
- Greg Storey, CPA, CIA, Audit Senior Manager
- Gabe Shibly, CPA, Audit Senior
- Kevin Jones, CPA, Audit Senior

The resumes of your team members are included in Appendix B. More information about our firm and staff is also available on our website (www.saltmarshcpa.com).

There have been no complaints leveled against these team members by the state boards of accountancy or other regulatory authorities; therefore, no corrective actions have been necessary.

Paul Allen will serve as the audit shareholder with overall responsibility for all audit services provided by our firm. He will ensure that the process is efficient and that work is of the highest caliber. You should feel free to address all audit questions to him at any time. In Paul’s absence, we want you to be comfortable contacting any other member of the audit team, each of whom is familiar with your audit. The purpose of using a team approach is to ensure that there is appropriate depth and knowledge within the firm regarding your accounting and auditing matters so that continuity of service is guaranteed.

To help assure the quality of our audit practice we use a concurring reviewer. This concept requires that before a report can be released to the client, a shareholder or manager of appropriate experience, and who has had no involvement in the performance of the engagement, must review the final report. Allison Jones, a senior manager with significant governmental and not-for-profit audit experience, will serve as concurring reviewer on this engagement.

Staff Continuity and Turnover
In order to perform the audit most efficiently and to minimize disruptions of the client’s operations, we attempt to retain the same professional staff from year to year. Therefore, the only staffing changes anticipated would result from resignations. We do not use temporary employees to staff any of our audits engagements and there are no plans for subcontracting any of the work to be performed. Shareholder assignments should remain consistent for the term of this proposal.

Expertise
Our not-for-profit practice is composed of professionals with expertise in this specialty area in addition to a broad range of experience in accounting, auditing and consulting. This practice area is organized into five operating groups: (1) auditing services, (2) tax and accounting services, (3) retirement and medical plans, (4) information technology services, and (5) management advisory services, including fraud examinations.

There are three primary advantages:

1. Specialization: In an increasingly complex financial and regulatory environment, auditors and tax advisors must have numerous specialized skills. By drawing on the specialization and experience of our five groups, we are able to meet your needs in the most comprehensive way possible.
2. Continuity and Client Service: The practice of having several members of the not-for-profit team actively working with you assures greater continuity and responsiveness.

3. Efficiency and Cost Effectiveness: Our team members have expertise in multiple disciplines, which results in both efficiency and cost effectiveness.

All audit team members have had varying degrees of formal education and considerable experience auditing in the governmental, not-for-profit and private sectors, and have many years of experience working with systems currently used by various governmental and non-profit units. In addition, all audit staff members have participated in continuing professional education courses relative to the field of not-for-profit and governmental auditing and accounting, as required by Government Auditing Standards.

Level Of Staff And Hours To Be Assigned

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<table>
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<th>Risk Assessment - 30</th>
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<td>Shareholder, 1</td>
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<th>Fieldwork - 110</th>
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<td>Senior Manager, 4</td>
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<th>Review and Audit Report Delivery - 22</th>
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<td>Shareholder, 3</td>
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<th>Presentation - 3</th>
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<tbody>
<tr>
<td>Shareholder, 2</td>
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Professional Personnel Billing Rates

Our firm’s standard billing rates for each of the last three years are as follows:

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<tr>
<th>Standard Hourly Rates</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder</td>
<td>$290</td>
<td>$280</td>
<td>$270</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>$250</td>
<td>$240</td>
<td>$235</td>
</tr>
<tr>
<td>Manager</td>
<td>$210</td>
<td>$200</td>
<td>$195</td>
</tr>
<tr>
<td>Senior</td>
<td>$185</td>
<td>$175</td>
<td>$170</td>
</tr>
<tr>
<td>Staff</td>
<td>$155</td>
<td>$145</td>
<td>$140</td>
</tr>
</tbody>
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Specific Audit Approach

We will work with you to develop an audit plan tailored to your specific needs and circumstances.

Below is our five-phase approach to your audit.

**Phase 1: Planning**

**Hours - 54**

Early in the process, we will work with your Audit Committee to provide an overview of the scope and timing. We ask that your Audit Committee let us know about any known risk issues, any areas where they would like us to perform additional procedures, or any other information significant to the audit.

Our planning procedures will take into consideration the effect of your capital asset activity, new debt issues, and other matters such as new accounting pronouncements that could have a significant impact on your financial statements.

**Materiality:** We have a defined methodology that does not simply consider the change in net position. It also focuses on total assets and total support and revenue in order to scope our audit approach, evaluate actual or potential errors, and develop audit samples. In addition, we will seek the input of your audit committee to further direct our testing procedures prior to finalizing our scope.

**Phase 2: Risk Assessment**

**Hours - 30**

We will follow standards established by the Auditing Standards Board of the AICPA. These auditing standards affect the amount and type of information we will gather to conduct your audit. We will:

- Update our understanding of your organization and operational environment, as well as significant risks you face and how you mitigate those risks. This will include examining how you measure and manage financial performance, as well as your internal control over financial reporting
- Examine and discuss where your financial statements might be susceptible to material misstatement or fraud
- Determine if internal controls have been implemented and assess the general controls around your information technology area or department
In addition, we will observe transactions or prepare/review narratives describing the steps taken during various phases of your significant operating cycles. We expect to interview your personnel and review prior board minutes, internal audit reports and third party regulatory examinations as part of our information-gathering process.

Of particular importance in the risk assessment phase will be any complex transactions happening during the fiscal year, monitoring of debt service coverage and other significant debt covenants, review of information technology controls, and other matters that have a significant effect on financial statement risk.

As required by OMB Circular A-133 and the Florida Single Audit Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program or state project. However, our tests will be narrower in scope than would be necessary to render an opinion on those controls. Accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133 and the Florida Single Audit Act.

**Phase 3: Fieldwork, Testing and Additional Audit Procedures**

**Hours - 110**

We will design our fieldwork procedures based on our evaluation of your internal control system and capitalize on its strengths. During fieldwork, we will:

- Assess risks of material misstatement for the most significant financial statement amounts and disclosures
- Ask management to further explore and clarify any potential misstatements we have identified and evaluate the materiality of those misstatements, if applicable
- Conclude that all identified risks of material misstatement have been addressed
- Test compliance with certain provisions of laws, regulations, contracts and grant agreements, including tests of transactions related to major federal award programs and state projects, if applicable

*Saltmarsh also will perform additional tests from these alternatives:*

- Test key items: Some items within an account may be large enough by themselves to involve significant risk of material misstatement. These key items can be audited individually.
- Sampling: Detailed auditing of representative individual items (a sample) selected from a population.
- Analytical procedures: A closer look at a grouping of information by examining it as it relates to other accounts, historical trends or other measures.

**Phase 4: Review and Audit Report Delivery**

**Hours - 22**

Our commitment to a smooth engagement also includes the timely delivery of our completed report. Saltmarsh has a proven track record of meeting your time requirements, not only for the financial statement audit, but also for other services such as bond letters and franchise fee audits. To make sure you get the results you expect, our quality control professionals will review and, if needed, further challenge the work performed.

A great deal of audit information often comes from third parties but occasionally is not received from them on time. To make sure your report is delivered on schedule, we will keep you informed and may ask for your help getting third-party information.
Phase 5: Presentation To The Audit Committee

Hours - 3

We will make our usual presentation to your Audit Committee to share the results of the audit and answer questions about the financial statements and compliance testing.

Section AU-C 260 of the Auditing Standards Codification, The Auditor’s Communication With Those Charged With Governance, establishes standards and provides guidance on the auditor’s communication with those charged with governance. We will discuss its implications with you.

Tentative Engagement Timeline

Assuming that the accounting records are closed no later than the middle of July, we propose the following timeline for the audit preparation.

<table>
<thead>
<tr>
<th>Phase 1: Planning</th>
<th>First week of July</th>
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<tr>
<td>Phase 2: Risk Assessment</td>
<td>First week of July</td>
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<tr>
<td>Phase 3: Fieldwork and Testing</td>
<td>Second week of July</td>
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<tr>
<td>Interim fieldwork</td>
<td>Last week of August</td>
</tr>
<tr>
<td>Year-end fieldwork</td>
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<tr>
<td>Phase 4: Review and Audit Report Delivery</td>
<td>Last week of September</td>
</tr>
<tr>
<td>Review</td>
<td>First week of October</td>
</tr>
<tr>
<td>Report delivery</td>
<td></td>
</tr>
<tr>
<td>Phase 5: Presentation</td>
<td>Second week of November</td>
</tr>
</tbody>
</table>
Saltmarsh will provide the following services:

- Audit of financial statements, conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States
- A single audit and subrecipient monitoring testing including any required letters and schedules
- Report on any weaknesses in internal controls and suggestions for operational improvements
- General advice regarding accounting standards
- Preparation of Form 990 Tax Filings

Our proposed fees, including all out-of-pocket costs and travel, for our professional services described above are as follows:

**Financial Statement Audit, Single Audit and Form 990 Preparation**

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Fee</th>
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<tbody>
<tr>
<td>2015</td>
<td>$35,000</td>
</tr>
<tr>
<td>2016</td>
<td>$37,000</td>
</tr>
<tr>
<td>2017</td>
<td>$39,000</td>
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**Additional Fees**

There is no charge for telephone calls or emails. Please always feel free to call us with any questions; we are happy to help.

Our fees are based on the understanding that:

- The overall condition of the financial and accounting records is excellent
- We will receive the support of your personnel
- We will not encounter unexpected circumstances during the audit

If we encounter problems that could increase the cost of our audit, we will contact you immediately and mutually agree on a new fee before you incur any additional cost.
APPENDIX A:
Services for Not-For-Profit Entities
Services for Not-For-Profit Entities

Saltmarsh provides a full range of integrated professional services to not-for-profit entities.

These include:

**Assurance**
- Audits
  - Financial Statements
  - Government Auditing Standards “Yellow Book”
  - OMB Circular A-133 Single Audit
  - Florida Single Audit Act
  - Employee Benefit Plans
- Letters to underwriter for bond issues

**Accounting**
- Monthly
- Quarterly
- Annually
- Sales Tax Returns
- Payroll Tax Returns
- Outsourced Controller

**Tax**
- Individual and Fiduciary
- Form 990 Tax Return Preparation
- Unrelated Business Income Tax Consulting and Applicable Return Preparation for Federal and State
- Business Tax
- Cost Segregation Studies
- R&D Credits
- International

**Information Technology**
- Audits of Information Systems
- Accounting Software Selections
- QuickBooks® Setup and Implementation
- Peachtree Setup and Implementation
- Assessment, Selection and Implementation of Accounting and Business Automation Software
- Network Design, Setup and Support
- Routers, Switches and Wide Area Networks
- Remote Access
- E-mail and Web Hosting
- Firewalls and Network Security
- Anti-Virus and Anti-Spam

**Consulting Services**
- Indirect Cost Allocation Plan (ICAP)
- Internal Control Review and Assessment
- Employee Benefits
- Litigation Support
- Business Valuation
Paul is a shareholder in the Financial Institutions Advisory Group of Saltmarsh, Cleaveland & Gund and the shareholder in charge of our Orlando office. He has over 25 years of public accounting and senior management experience, primarily serving financial institutions. Prior to joining Saltmarsh, Paul worked with an international accounting firm and served in various senior management roles with several financial institutions, including Chief Financial Officer.

Paul has extensive experience advising clients on accounting and financial reporting matters, enterprise risk management, asset liability management, mergers and acquisitions, and strategic planning. He has served on several public and private boards, and serves on the Faculty of the Florida Bankers Association Florida School of Banking at University of Florida.

**Education**
B.S.B.A. Accountancy - University of Central Florida

**Certifications**
- Certified Public Accountant - Florida
- Certified Global Management Accountant
- Certified Fraud Examiner (CFE) - Inactive

**Professional Affiliations**
- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Florida Bankers Association
- Institute of Internal Auditors
- Association of Certified Fraud Examiners - Associate Member
J. David Lister, CPA
Shareholder
david.lister@saltmarshcpa.com
www.saltmarshcpa.com

David is a shareholder in the Audit & Assurance Services Department of Saltmarsh, Cleaveland & Gund. He has been with the firm since 1985, providing audit, accounting and consulting services to the firm’s clients. David has extensive experience auditing a number of industries to include, local governments, not-for-profit organizations, utilities, hotels and other hospitality related entities, restaurants, manufacturing, pension plans, retail trade and wholesale distributors.

Education
M.B.A. - University of West Florida
B.A. Accounting - University of West Florida

Certifications
Certified Public Accountant - Florida

Professional Affiliations
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Government Finance Officers Association
Florida Government Finance Officers Association

Community Affiliations
Escambia County Public Schools Foundation
Take Stock in Children
Leadership Pensacola (LEAP)
United Way of Escambia County
BRACE
Allison Jones, CPA
Senior Manager

allison.jones@saltmarshcpa.com
www.saltmarshcpa.com

Allison is a senior manager in the Audit & Assurance Services Department of Saltmarsh, Cleaveland and Gund and has been with the firm since 1999. Allison’s primary areas of experience include providing audit services for not-for-profit entities, utilities, local governments, healthcare entities, manufacturing, employee benefit plans and small businesses.

Education
B.S. Accounting - Florida State University

Certifications
Certified Public Accountant - Florida

Professional Affiliations
Florida Institute of Certified Public Accountants
American Institute of Certified Public Accountants

Community Affiliations
Five Flags Rotary Club
Fiesta of Five Flags - Board of Governors
Ronald McDonald House - Volunteer
Alpha Delta Pi Alumnae Association - Past Treasurer and Financial Advisor
Junior League of Pensacola - Past Treasurer, Past Finance and Fundraising Vice President
Leadership Pensacola Class of 2007
Big Brothers Big Sisters of Northwest Florida - Board Member and Past Treasurer
Creative Learning Academy - Board Member and Past Treasurer
Pensacola Young Professionals (PYP)
Gabe Shibly, CPA
Senior
gabe.shibly@saltmarshcpa.com
www.saltmarshcpa.com
www.thebankadvisors.com

Gabe is a senior in the Audit & Assurance Services Department of Saltmarsh, Cleaveland & Gund. He is also a part of the firm’s Financial Institutions Advisory Group where he provides accounting and auditing services for financial institutions. Gabe began his career in public accounting in 2010. Prior to joining Saltmarsh in late 2013, Gabe served as a senior auditor for an accounting firm in Melbourne, Florida where his primary areas of focus included employee benefit plans, not-for-profit, manufacturing, construction, governmental entities, 990s, compilation and review engagements and internal audits.

Education
Master of Accountancy - Stetson University
B.S.B.A. Accounting Information Systems - Stetson University

Certifications
Certified Public Accountant - Florida
SAP Certified Solution Consultant

Professional Affiliations
Florida Government Finance Officers Association
Florida Institute of Certified Public Accountants - Committee Member
  - Young CPAs Committee
  - Relations with Accounting Educators Committee
Greg is a senior manager in the Audit & Assurance Services Department of Saltmarsh, Cleaveland, and Gund. Since joining the firm in January 1998, he has worked extensively providing audit and consulting services for the firm’s local governmental, not-for-profit, healthcare, condominium associations and hospitality industry clients.

**Education**
B.S.B.A. Accounting - University of West Florida

**Certifications**
Certified Public Accountant - Florida
Certified Internal Auditor (CIA)
Certified Hospitality Accountant Executive (CHAE)

**Professional Affiliations**
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Hospitality Financial and Technology Professional
The Institute of Internal Auditors

**Community Affiliations**
Waterfront Rescue Mission - Audit Review Committee Member
Kevin Jones, CPA  
Senior  
kevin.jones@saltmarshcpa.com  
www.saltmarshcpa.com  
www.thebankadvisors.com

Kevin is a senior auditor in the Audit & Assurance Services Department of Saltmarsh, Cleaveland & Gund. He is also a part of the firm’s Financial Institutions Advisory Group, providing audit services to the firm’s financial institution clients. Kevin has been with Saltmarsh since December of 2010. His primary areas of concentration include providing auditing services for not-for-profit, construction, manufacturing and hospitality industries, governmental entities and financial institutions.

**Education**
Master of Accountancy - University of West Florida  
B.S.B.A. Accounting/Professional Accountancy - University of West Florida

**Certifications**
Certified Public Accountant - Florida
APPENDIX C:
Firm License to Practice in the State of Florida
Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation. Our professionals and businesses range from architects to yacht brokers, from boxers to barbeque restaurants, and they keep Florida’s economy strong.

Every day we work to improve the way we do business in order to serve you better. For information about our services, please log onto www.myfloridaiicense.com. There you can find more information about our divisions and the regulations that impact you, subscribe to department newsletters and learn more about the Department’s initiatives.

Our mission at the Department is: License Efficiently, Regulate Fairly. We constantly strive to serve you better so that you can serve your customers. Thank you for doing business in Florida, and congratulations on your new license!

The Department of State is leading the commemoration of Florida’s 500th anniversary in 2013. For more information, please go to www.VivaFlorida.org.
Workers Compensation

RetailFirst
Insurance Company

A Stock Insurer • P.O. Box 988 • Lakeland, FL 33802-0986

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY INFORMATION PAGE

Center code: 31399
Policy number: 520-39505

Item 1. Insured
Prior policy number

Name and Address
Saltmarsh, Cleaveland & Gund, P A
900 12th Avenue
Pensacola, FL 32501

RISK I.D.: 911272369

Individual ☐ Corporation X
Partnership ☐ Subchapter "S" ☐
Other ☐

FEIN: 59-2922169

Other workplaces not shown above:
SEE EXTENSION OF INFORMATION PAGE ITEM 1

Item 2. Policy period
From 10/29/13 to 10/29/14 12:01 a.m. standard time at the address of the insured as stated herein.

Item 3. Coverage
A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: Florida

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

- Bodily Injury by Accident: $100,000 each accident
- Bodily Injury by Disease: $100,000 each employee
- Bodily Injury by Disease: $500,000 policy limit

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

D. This policy includes these endorsements and schedules:
SEE EXTENSION OF INFORMATION PAGE ITEM 3.D

Item 4. Premium
The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

<table>
<thead>
<tr>
<th>Classifications</th>
<th>Code No.</th>
<th>Premium Basis: Total Estimated Annual Remuneration</th>
<th>Rate Per $100 of Remuneration</th>
<th>Estimated Annual Premium</th>
</tr>
</thead>
</table>

SEE EXTENSION OF INFORMATION PAGE ITEM 4

Total Estimated Annual Premium: $12,988.07
Minimum Premium: $685.00
Expense Constant: $200.00

Countersigned by [Signature] Date 08/08/13

294 Fisher Brown Insurance
Date Prepared: 08/08/13

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# Certificate of Liability Insurance

**This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by the policies below. This certificate of insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder.**

**Important:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<table>
<thead>
<tr>
<th>INSURED</th>
<th>PROVIDER</th>
<th>CONTACT NAME</th>
<th>PHONE</th>
<th>ADDRESS</th>
<th>EMAIL</th>
<th>NAIC #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saltmarsh Cleaveland and Gund, PA</td>
<td>McMahon-Hadder Insurance, Inc.</td>
<td>Kathy Howard, CIC</td>
<td>(850) 484-7011</td>
<td>375 North 9th Ave., Suite A Pensacola FL 32502</td>
<td><a href="mailto:kathy@mcmahonhadder.com">kathy@mcmahonhadder.com</a></td>
<td>28053</td>
</tr>
<tr>
<td>Saltmarsh Cleaveland and Gund, PA</td>
<td>Rock Hill Insurance Company</td>
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<td></td>
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<td>10190</td>
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<tr>
<td>Saltmarsh Cleaveland and Gund, PA</td>
<td>Southern Owners Ins. Co</td>
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**Coverages**

<table>
<thead>
<tr>
<th>INDEX</th>
<th>TYPE OF INSURANCE</th>
<th>AUDITOR</th>
<th>BURDEN W/</th>
<th>POLICY NUMBER</th>
<th>POLICY EFF</th>
<th>POLICY EXP</th>
<th>LIMITS</th>
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<tbody>
<tr>
<td>A</td>
<td>GENERAL LIABILITY</td>
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<td>10/29/2013</td>
<td>10/29/2014</td>
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<td>COMMERCIAL GENERAL LIABILITY CLAIMS-MADE OCCUR</td>
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<td>X EXCESS LIABILITY</td>
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<td></td>
<td>CLAIMS-MADE X RETENTION $ 5,000</td>
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</tbody>
</table>

**Workers Compensation and Employer's Liability**

| ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED (Mandatory in NH) | N/A |

**Description of Operations / Locations / Vehicles**

Attach ACORD 101, Additional Remarks Schedule, if more space is required.

**Certificate Holder / Cancellation**

**Proof of Coverage Only**

**Authorized Representative**

D McMahon, III, CIC/K

**Date (MM/DD/YYYY):** 11/19/2013

---

**General Commercial Liability**

**Certificate Number:** 13/14

**Revision Number:**

**This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.**

**Insurer(s) Affording Coverage**

- **INSURER A:** Rock Hill Insurance Company
- **INSURER B:** Southern Owners Ins. Co
- **INSURER C:**
- **INSURER D:**
- **INSURER E:**
- **INSURER F:**

**Insurers Affording Coverage**

- **INSURER A:**
  - **Policy Number:** THB0002919-03
  - **Policy Effective:** 10/29/2013
  - **Policy Expired:** 10/29/2014
  - **Limits:**
    - EACH OCCURRENCE $1,000,000
    - DAMAGE TO RENTED PREMISES (Ba occurrence) $100,000
    - MED EXP (Any one person) $5,000
    - PERSONAL & ADV INJURY $1,000,000
    - GENERAL AGGREGATE $2,000,000
    - PRODUCTS - COMPO/PAGG $2,000,000

- **INSURER B:**
  - **Policy Number:** 4820461501
  - **Policy Effective:** 10/29/2013
  - **Policy Expired:** 10/29/2014
  - **Limits:**
    - EACH OCCURRENCE $2,000,000
    - AGGREGATE $2,000,000

**Important:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

**Notice:** SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

**Authorized Representative**

D McMahon, III, CIC/K

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**The ACORD name and logo are registered marks of ACORD.**
APPENDIX D: Insurance Documentation

THIS IS A CLAIMS MADE AND REPORTED POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

NOTICE: EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR COVERED ACTS COMMITTED SUBSEQUENT TO THE RETROACTIVE DATE, IF APPLICABLE, FOR WHICH CLAIMS ARE FIRST MADE AGAINST YOU WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO US NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THIS POLICY. THE COVERAGE OF THIS POLICY DOES NOT APPLY TO CLAIMS FIRST MADE AGAINST YOU AFTER THE TERMINATION OF THIS POLICY UNLESS, AND IN SUCH EVENT ONLY TO THE EXTENT, AN EXTENDED REPORTING PERIOD OPTION APPLIES.

POLICY NUMBER: CPH9798543
Replacing: CPH9795950
Producer Code: NAPCPAG

1. **Named Insured**: Saltmarsh, Cleaveland & Gund, PA
   **Mailing Address**: 900 N. 12th Avenue
   Pensacola FL 32501

2. **Policy Period**: from 09/01/13 to 09/01/14
   At 12:01 A.M. Standard Time at the address of the Named Insured as stated above.

3. **Limits of Liability**: $2,000,000.00 each **Claim**, but in no event exceeding $4,000,000.00 in the aggregate for all **Claims**

   **Defense Expenses** Coverage Option: A
   □ a. Reduce the available Limits of Liability
   □ b. Are separate, and do not reduce the Limits of Liability

4. **Deductible**: $100,000.00 each **Claim**, but in no event exceeding $100,000.00 in the aggregate for all **Claims**

   **Deductible Option**: A
   □ a. The Deductible amount specified above applies to both **Damages** and **Defense Expenses**
   □ b. The Deductible amount specified above applies only to **Damages**

5. **Retroactive Date**: Full Prior Acts

6. **Annual Premium**: $32,115.00 plus $417.50 Florida Hurricane Surcharge

7. **Notice to Insurer**: Send New Claim Notices to:
   proclaimnewnotices@xigroup.com

8. **Forms and endorsements attached at inception of coverage**. Refer to schedule of forms.
   XLAEN 01 XLAEN 00i XLAEN 00ii IL MP 91040 2011 PN FL 03 0405
   PN CW 02 0505 PN CW 03 0505 PN CW 05 1010 PN CW 01 0613 XLAEN 04
   XLAEN 16 XLAEN 21 XLAEN 23 XLAEN 24 XLAEN 28
   XLAEN 29 XLAEN 57 XLAEN 58 XLAEN 106

   **Issued on**: October 21, 2013 at Allendale, New Jersey
   for Jorgensen & Company
   Authorized Representative and Managers for The Professional Advisers Purchasing Group, Inc.
   **Countersigned at Allendale, New Jersey**
   **by**: [Signature]

   **On**: October 21, 2013

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APPENDIX E:
Peer Review Reports
SYSTEM REVIEW REPORT

To the Shareholders
Saltmarsh, Cleaveland & Gund, P.A.
and the Peer Review Committee of the
Florida Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Saltmarsh, Cleaveland & Gund, P.A. (the “firm”) in effect for the year ended December 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the Government Auditing Standards and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Saltmarsh, Cleaveland & Gund, P.A. in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Saltmarsh, Cleaveland & Gund, P.A. has received a peer review rating of pass.

[Signature]

Nashville, TN
May 9, 2012
To the Shareholders
Saltmarsh, Cleaveland & Gund, P.A.
and the Peer Review Committee of the
Florida Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Saltmarsh, Cleaveland & Gund, P.A. (the “firm”) in effect for the year ended December 31, 2008. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

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Nashville, TN
June 3, 2009
Orlando
4798 New Broad Street, Suite 320
Orlando, Florida 32814

Tampa
201 North Franklin Street, Suite 2720
Tampa, Florida 33602

Pensacola
900 North 12th Avenue
Pensacola, Florida 32501

Ft. Walton Beach
34 Walter Martin Road
Fort Walton Beach, Florida 32548

Toll Free: (800) 477-7458
www.saltmarshcpa.com