

Proposal for Independent Auditing Services

June 2, 2020



Prepared for:

Clearwater Downtown Development Board

A handwritten signature in black ink that reads "Charles E. Landers".

Chuck Landers, CPA, CIT
Shareholder



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June 2, 2020

Audit Selection Committee
City of Clearwater Downtown Development Board
100 S. Myrtle Avenue
Clearwater, FL 33756

Thank you for inviting us to submit a proposal for our services. We understand the work to be performed as detailed in RFP for the Clearwater Downtown Development Board and we are committed to perform the work within the specified time period. 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. Governmental and Not-For-Profit Expertise

Saltmarsh has been serving the needs of governmental and not-for-profit entities since 1944. Our governmental/not-for-profit practice is one of the most experienced in the Southeast, with staff and resources dedicated to this sector. 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

Saltmarsh is an independent member of the BDO Alliance USA, an association of accounting and consulting firms whose members reinforce client service by exchanging expertise, resources, and advice in a wide range of industries. Our membership ensures our continual competitive improvement in the ever-evolving business landscape by implementing their professional development and technical training, thought leadership, and industry-specific resources.

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. We understand the importance of being available and responsive to your needs, and we will strive to exceed your expectations.

Our industry expertise, resources and determination to make you successful makes us the right choice as your CPA firm. We would be honored to serve as your independent auditors.

Sincerely,



Charles E. "Chuck" Landers
Shareholder

Since 1944

www.saltmarshcpa.com

Ft. Walton Beach • Pensacola • Tampa • Orlando • Nashville



Firm Profile

Making you and your organization successful is the driving force behind everything we do.

Saltmarsh, Cleaveland & Gund is a large CPA-led consulting firm, specializing in key industries, including governmental and related enterprises, not-for-profit, manufacturing and distribution, construction, healthcare, real estate and financial institutions. 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.

Saltmarsh is an independent regional firm, established as a legal entity and licensed to practice in the State of Florida. We have offices located in Fort Walton Beach, Pensacola, Orlando, Tampa, and Nashville, Tennessee. Our extensive experience, industry knowledge and worldwide resources have made us the region's accounting leader for the governmental and not-for-profit community.

The personnel assigned to your engagement are staffed in the Fort Walton Beach, Pensacola, and Tampa offices. Saltmarsh is lead with a team of 21 shareholders and over 150 professional staff. Of these, 56 are certified public accountants and 4 are attorneys.

Our Values

We are committed to:

- *Integrity and Honesty*
- *Respect*
- *Creativity*
- *Quality Service*

Our Professional Activities

Involvement in professional activities on local, state and national levels is a critical part of our overall practice. This is how our team members stay on the cutting edge of accounting practices and informed about the most current issues and regulatory changes. They have served in the following ways:

Local

- Committee Members, Florida Institute of Certified Public Accountants (FICPA)
 - State and Local Government
 - Unauthorized Practice of Public Accounting

State

- Officers, Board of Governors, Florida Institute of Certified Public Accountants (FICPA)

National

- Committee and Special Interest Group Members, AICPA (Technical Standards Subcommittee)
 - Peer Reviewers, AICPA Division of Firms

In Government

- Members (Local and State), Governmental Finance Officers Associations (GFOA)
 - GFOA Special Review Committee (reviews reports from around the country to determine eligibility for the Certificate of Achievement for Excellence in Financial Reporting)

Various team members have been selected for the Certificate of Achievement for Excellence in Financial Reporting Program. Our team members also share their expertise through public speaking engagements, publications and representation on a variety of boards within the community.

Our Governmental Expertise

Our governmental 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 have to 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 governmental and 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.

Quality Control Review

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

Peer Review

Saltmarsh participates in the rigorous AICPA Peer Review Program, which means we are required to maintain a high level of quality control. This program also includes a review of our government and not-for-profit clients. We have had a consistent record of unqualified or “clean” opinions since we started peer reviews. Several of our governmental audits were reviewed during our most recent peer review. A copy of that peer review report is included in Appendix B.

Internal Review

On all assurance engagements, we assign an “independent” reviewer 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 related financial statements. We conduct annual internal performance reviews of all staff, including shareholders.

Our Global Resources: BDO Alliance USA

We are an independent member of the BDO Alliance USA, a nationwide association of independently owned local and regional accounting, consulting and service firms with similar client service goals. By supplementing our services, the BDO Alliance USA allows us to:

- Enhance our client services and broaden our capabilities overall
- Expand our domestic and international coverage
- Gain greater technical knowledge in specialty areas
- Utilize professionals with experience in a wide range of industries
- Access the most up-to-date technical information
- Participate in the latest training programs
- Utilize state-of-the-art, customized computer systems
- Provide our clients with key contacts and sophisticated professionals throughout the U.S.

The BDO Alliance USA brings us the necessary tools to help us better serve our clients with greater flexibility, efficiency and cost effectiveness.

The BDO Alliance USA is a subsidiary of BDO USA, LLP, a Delaware limited liability partnership. For more than 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through more than 60 offices over 550 independent Alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 73,000 people working out of 1,500 offices across 162 countries.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.



Similar Engagements & References

Similar Engagements & References

Below is a list of significant audit engagements performed in the last five (5) years that are similar to this engagement. These engagements can be used as references for our firm and the services we provide.

Emerald Coast Utilities Authority (Independent Special District) **(recipient of Certificate of Achievement)**

Fiscal years 2013-2017: Performed audits in accordance with 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; and Chapter 10.550, Rules of the Auditor General in the State of Florida.

Engagement Shareholder: David Lister

Approximately 325 hours annually

Contact: Patricia Sheldon, Director of Finance, (850) 476-5110

Address: PO Drawer 15311, Pensacola, FL 32514

City of Gulf Breeze **(recipient of Certificate of Achievement)**

Fiscal years 2014-2019: Performed audits in accordance with 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; and Chapter 10.550, Rules of the Auditor General in the State of Florida.

Engagement Shareholder: David Lister

Approximately 700 hours annually

Contact: Jeanne Griffin, Director of Finance, (850) 934-5100

Address: 1070 Shoreline Drive, Gulf Breeze, FL 32561

Escambia County Housing Finance Authority

Fiscal years 2016-2019: Performed audits in accordance with 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; and Chapter 10.550, Rules of the Auditor General in the State of Florida.

Engagement Shareholder: David Lister

Approximately 250 hours annually

Contact: Dr. Susan Stephenson, CFO, (850) 432-7077

Address: 700 S. Palafox Street, Pensacola, FL 32502

West Florida Community Care Center (State Hospital)

Fiscal years 2013-2019: Performed audits in accordance with 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; and Chapter 10.550, Rules of the Auditor General in the State of Florida.

Engagement Shareholder: Molly Murphy

Approximately 175 hours annually

Contact: Allison Hill, CFO, (850) 469-3620

Address: 1221 W. Lakeview Avenue, Pensacola, FL 32501

City of Crestview

Fiscal years 2016-2019: Performed audits in accordance with 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; and Chapter 10.550, Rules of the Auditor General in the State of Florida.

Engagement Shareholder: Charles Landers

Approximately 570 hours annually

Contact: Gina Toussaint, Finance Director, (850) 682-1560

Address: 198 N. Wilson Street, Crestview, FL 32536



Auditing Team & Qualifications

Audit Engagement Team

To give you the highest quality service possible, all of our audit teams involve one or more shareholders and managers. The personnel assigned to your engagement are staffed from the Fort Walton Beach, Pensacola, and Tampa offices. Your team will consist of the following members:

- Chuck Landers, CPA, CIT, Audit Shareholder
- David Lister, CPA, Concurring Reviewer
- Jeanine Bittinger, CPA, Consulting Audit Director
- Philip de Boer, CPA, Audit Senior Manager
- Diane Martinez, Audit Senior
- Emily Lalas, Audit Staff

Chuck Landers will serve as the engagement shareholder with overall responsibility for all services provided by our firm. Chuck has over 20 years of local government audit experience. In Chuck's absence, we want you to be comfortable contacting any other member of the client service team, each of whom will be familiar with the City's engagement. **Jeanine Bittinger, Philip de Boer, Diane Martinez** and **Emily Lalas** will be assisting in various phases of this engagement. **David Lister** will serve as Concurring Reviewer to assure the quality of our audit practice. This concept requires that before a report can be released to the client, a shareholder or senior manager of appropriate experience, and who has had no involvement in the performance of the engagement, must review the final report. The resumés of your team members and individual governmental auditing experience are included in Appendix A. More information about our firm and staff is also available on our website (www.saltmarshcpa.com).

Continuing Professional Education (CPE)

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. 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.

The staff members assigned to this engagement meet the minimum requirement of 24 hours of governmental accounting and auditing CPE. Hours logged are available upon request.

Disciplinary Action

There have been no pending disciplinary actions taken against Saltmarsh in the last 10 years with any state regulatory bodies or professional organizations, and we are not aware of any pending disciplinary actions.

Firm Retention

Our retention would not result in a conflict of interest with any person or company.



Audit Approach

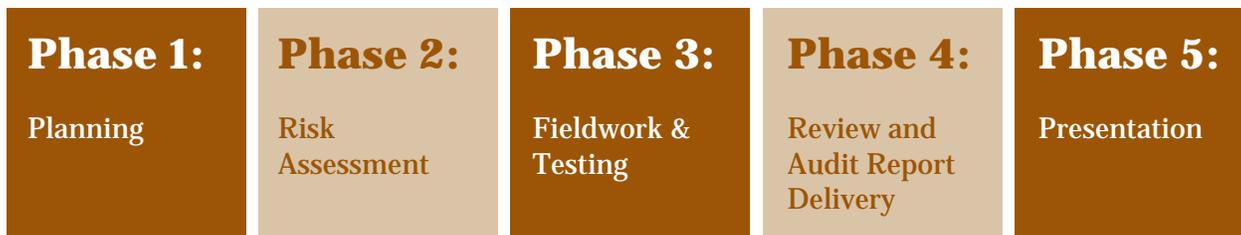
Governmental Practice

As your trusted advisor, we place significant emphasis on providing outstanding client service. With our “one firm” approach in mind, each team is comprised of the most qualified professionals and industry-experts to suit the needs of your organization, regardless of geographic or office location. The purpose of using a team approach is to ensure that there is appropriate depth and knowledge within the firm regarding your accounting matters so that quality and continuity of service is guaranteed. Through the use of technology, advanced planning and other resources at our disposal, we are able to provide the most qualified professionals the firm has to offer for each of the services provided without any disruption to the engagement or your organization.

We affirm that we meet the *Government Auditing Standards* independence requirements, as published by the U.S. General Accounting Office.

We will work with you to develop an audit plan tailored to your specific needs as outlined in Exhibit A “Scope of Services” of the Request for Proposal.

Below is our five-phase approach to your audit.



Phase 1: Planning

Early in the process, we will work with your Board to provide an overview of the scope and timing. We ask that your Board 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 any changes in your investments, bond activity and other matters that significantly impact your operations.

Materiality: We have a defined methodology that does not simply consider the change in net assets. 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

We will follow standards established by the Auditing Standards Board of the American Institute of Certified Public Accountants (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 and any 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 (such as any new bond issues), review of information technology controls, and other matters that have a significant effect on financial statement risk.

Phase 3: Fieldwork, Testing and Additional Audit Procedures

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

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.

Statistical Sampling

Statistical sampling of the City's records has not been utilized in the past because, based on our experience, we have found that use of non-statistical samples (which are much smaller than statistical samples) coupled with analytical procedures is the most efficient method of obtaining adequate audit evidence. In all sampling applications, sample sizes are based on auditor judgement using a documented formal risk assessment related to the population being sampled.

Use of EDP Software

Our audit of computer related activities includes charting the flow of documentation. We review application and general controls primarily to assist us in determining the nature and extent of other audit procedures. We use computers and audit software to select samples and to summarize trial balance information. We may use data extraction software in certain audit areas to improve the efficiency of our audit approach and enhance our fraud risk assessment procedures. Saltmarsh has used "paperless" audit software over the past decade and continues to be a leader in the use of technology to conduct effective and efficient audits.

Analytical Procedures

In order to perform the audit in an efficient and effective manner, we utilize analytical procedures in the initial planning to identify potential misstatements and determine the extent of testing that, in our professional judgment, may be necessary. Analytical procedures usually consist of trend analysis, ratio computations, operating profit computations, relationships between financial data such as budget and statistical data, and comparisons to known standards when available.

Internal Control

Documentation of internal control will be performed in accordance with generally accepted auditing standards and will be accomplished through the use of internal control questionnaires, inquiries of management and employees engaged in the accounting functions, observation of control activities and inspection of actual documents used in processing transactions. Flow charts may be prepared on basic systems and significant control procedures will be identified. Samples are selected using computerized random number tables and results are evaluated and projected to the population of transactions or

balances as appropriate. In an attempt to improve our efficiency, we will combine tests of controls with tests of laws and regulations and substantive tests whenever possible.

Testing of Laws and Regulations

Our approach to testing of legal and compliance issues is based on the requirements of *Government Auditing Standards*. This is done by obtaining an understanding of laws and regulations that could have a “direct and material” impact on the financial statements. Often other matters such as immaterial policy violations or illegal acts come to our attention as a result of this work. These matters would typically be reported in the supplemental management letter.

Compliance Samples

Due to the small size of the City’s staff, we anticipate that our reliance internal controls will be low and that extensive tests of controls will not be necessary. Tests of compliance will be limited to matters that could have a “direct and material” impact on the financial statements. In addition, we will request that the City provide us with a written representation acknowledging that:

- Management is responsible for the City’s compliance with applicable laws and regulations
- Management has identified and disclosed to us all laws and regulations that have a direct and material effect on the determination of financial statement amounts

Substantive Tests of Balances Procedures

Because we do not anticipate significant reliance on internal controls, extensive tests of balances will be performed as necessary. Tests of balances will be focused primarily on significant areas such as cash and investments, payables, net assets, operating revenues, investment income, payroll and related expenses.

Pre-Issuance Report Review Procedures

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. David Lister, a shareholder with significant not-for-profit and governmental audit experience, will serve as concurring reviewer on this engagement.

Phase 4: Review and Audit Report Delivery

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. 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

We will make our usual presentation to your Board 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.



Additional Items

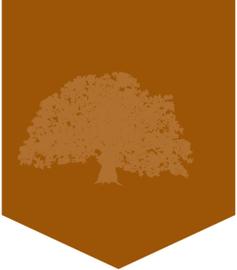
Insurance & Licensing

Saltmarsh will provide the following documents to DDB prior to the execution of the Agreement. We understand that if we fail to produce these documents within the allotted time frame that it will disqualify us as a proposer. We will submit the following documents are stated in Exhibit B “Insurance Requirements” of the Request for Proposal:

- 1. Commercial General Liability Insurance** coverage in the minimum amount of \$1,000,000 per occurrence and \$2,000,000 general aggregate and \$2,000,000 products/completed operation aggregate.
- 2. Commercial Automobile Liability Insurance** for any owned, non-owned, hired or borrowed automobile is required in the minimum amount of \$1,000,000 combined single limit.
- 3. Statutory Workers’ Compensation Insurance** in accordance with the laws of the State of Florida, and Employer’s Liability Insurance in the minimum amount of \$100,000 each employee each accident, \$100,000 each employee by disease and \$500,000 aggregate by disease with benefits afforded under the laws of the State of Florida. Coverage should include Voluntary Compensation and U.S. Longshoremen’s and Harbor Worker’s Act coverage where applicable. Coverage must be applicable to employees, contractors, and subcontractors, if any.
- 4. Professional Liability/Malpractice/Errors or Omissions Insurance** coverage appropriate for the type of business engaged in by the firm with minimum limits of \$1,000,000 per occurrence. If a claims made form of coverage is provided, the retroactive date of coverage shall be no later than the inception date of claims made coverage, unless prior policy was extended indefinitely to cover prior acts. Coverage shall be extended beyond the policy year either by a supplemental extended reporting period (ERP) of as great a duration as available, and with no less coverage and with reinstated aggregate limits, or by requiring that any new policy provide a retroactive date no later than the inception date of claims made coverage.
- 5. Cyber Liability Insurance** if during the term of the Agreement the firm obtains or maintains computerized data in a system that includes personal information, including but not limited to an individual’s first name, first initial and last name, or any middle name and last name, in combination with any one or more of the following: a) Social Security number; b) Driver’s License number or Florida Identification Number; c) account number, credit card number, or debit card number, in combination with any required security code, access code, or password that would permit access to an individual’s financial account, then the firm must provide Cyber Liability Insurance coverage in an adequate amount to meet or exceed the notification and monitoring requirements under Florida Statute 817.5681.
- 6. Property Insurance** if the firm is using its own property or the property of the DDB in connection with the performance of its obligations under this Agreement, then Property Insurance on an “All Risks” basis with replacement cost coverage for property and equipment in the care, custody and control of others is required.

We understand the additional insurance provisions as required in Exhibit B “Insurance Requirements” of the Request for Proposal as well as understand that all information contained within this proposal is part of the public domain as defined by State of Florida Sunshine and Public Record Laws.

We certify that neither Florida Statute Section 287.132 nor Florida Statute Section 287.133 restricts the firm’s submission of a proposal or entry into the Agreement.



Our Fees

Cost for the engagement, including all out-of-pocket costs and travel, beginning with the fiscal year ending September 30, 2020 is as follows:

	<u>Audit</u>	<u>Annual Financial Report</u>
Year Ending September 30, 2020	\$8,400	\$600
Year Ending September 30, 2021	\$8,650	\$625
Year Ending September 30, 2022	\$8,900	\$650
Year Ending September 30, 2023	\$9,200	\$675
Year Ending September 30, 2024	\$9,500	\$700

Additional Fees

There is no charge for telephone calls or emails. However, any additional work which falls outside of the scope of this proposal will be billed separately at \$150 per hour with 3% increases annually.

APPENDIX A:

Resumés



Chuck Landers, CPA, CIT

Shareholder, Audit Services

chuck.landlers@saltmarshcpa.com

www.saltmarshcpa.com



Chuck is a shareholder in the Audit & Assurance Services Department of Saltmarsh, Cleaveland & Gund. He began his career in public accounting in 1997 and joined Saltmarsh in 2005 with almost 10 years of experience providing audit and related assurance services for a number of varying entities and industries while working for a local accounting firm in Kansas City, Missouri.

Chuck's primary areas of focus include providing audit and assurance-related services to governmental and not-for-profit entities, utilities, manufacturers, contractors, home builders and related trades within the construction and real estate development industries.

Education

B.S. Accounting and Business Administration - William Jewell College

Certifications

Certified Public Accountant - Florida

Construction Industry Technician (CIT)

Professional Affiliations

American Institute of Certified Public Accountants

Florida Institute of Certified Public Accountants

Community Affiliations

Associated General Contractors (AGC)

Northwest Florida Underground Utility Contractor Association

Florida's Great Northwest, Inc.

Destin Chamber of Commerce

Rotary Club of Fort Walton Beach

Fort Walton Beach Rotary Club Scholarship, Inc.

Governmental Audits

Chuck's governmental audit experience includes the following local governments and municipalities in Florida:

- City of Crestview
- City of DeFuniak Springs
- Okaloosa County
- City of Crestview - General Employees Retirement Plan
- City of Crestview Police Officers/Firefighters Retirement Plan
- Escambia County Housing Finance Authority
- West Florida Regional Planning Council



David Lister, CPA

Shareholder, Audit Services

david.lister@saltmarshcpa.com

www.saltmarshcpa.com



David joined the Pensacola office of Saltmarsh, Cleaveland & Gund in 1985 and has headed the firm's Audit & Assurance Department since 2006. He is also a member of Allinial Global's Accounting & Auditing Committee and chairs its Governmental Community of Practice.

David heads the firm's governmental audit practice and has over 33 years of governmental audit experience, including municipalities, large governmental utilities, airports, housing assistance programs, and local government pension plans. He has made presentations to local chapters of the FGFOA on governmental financial reporting and has performed independent quality control reviews for other CPA firms on their governmental audits. His responsibilities include over 30 audits performed in accordance with *Government Auditing Standards*.

David has provided consulting services to local governments, including assistance with bond issues, internal audit procedures, and analyses of overhead allocations, franchise fees and leasing activities.

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

United Way of Escambia County

BRACE



Governmental Audits

David served over 17 years on the City of Pensacola audit, and his audit experience also includes the following local governments in Florida:

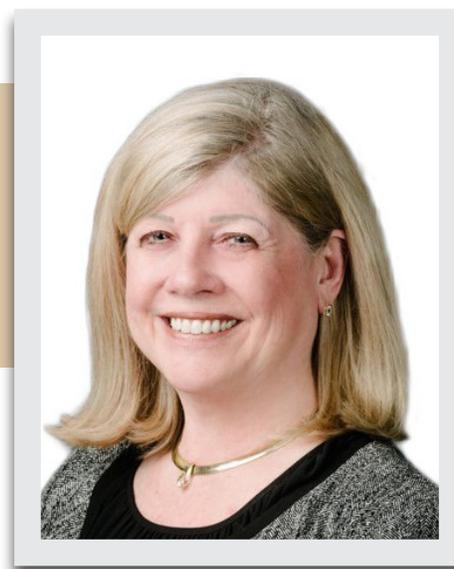
- City of Gulf Breeze
- City of Crestview
- City of DeFuniak Springs
- Town of Jay
- Emerald Coast Utilities Authority
- Community Maritime Park Associates
- West Florida Regional Planning Council
- Escambia County Housing Finance Authority
- Escambia County Health Facilities Authority
- Pensacola-Escambia Development Commission
- West Florida Community Care Center
- Capital Trust Agency
- Gulf Breeze Financial Services
- City of Pensacola Firemen's Relief and Pension Fund
- City of Pensacola Police Officers' Retirement Fund
- City of Crestview General Employees Retirement Plan
- City of Crestview Police Officers/Firefighters Retirement Plan
- Human Relations Commission
- Santa Rosa Island Authority



Jeanine Bittinger, CPA

Director

jeanine.bittinger@saltmarshcpa.com
www.saltmarshcpa.com



Jeanine is a director in the Audit & Assurance Services Department of Saltmarsh, Cleaveland & Gund. With 30 years of public accounting experience, Jeanine specializes in audit and assurance services for employee pension plans, municipalities, special districts and non-profit organizations. Prior to joining Saltmarsh, Jeanine worked at a regional accounting firm where she performed and developed audit programs for operational and regulatory compliance audits.

Education

B.S.B.A. Accounting - University of South Florida
Advanced Program - Southwest School of Government Finance

Certifications

Certified Public Accountant - Florida

Professional Affiliations

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Florida Government Finance Officers Association - Conference Committee
Florida Public Pension Trustees Association
Institute of Management Accountants
Florida Council of the Institute of Management Accountants

Governmental Audits

Jeanine's audit experience includes the following local governments and municipalities in Florida:

- City of Dunedin
- City of Tarpon Springs
- City of Seminole
- Town of Belleair
- City of Belleair Beach
- Town of Belleair Shore
- Town of Redington Shores
- Town of Indian Shores
- Palm Harbor Special Fire Control and Fire District
- East Lake Tarpon Special Fire Control District
- Pinellas Suncoast Fire and Rescue District
- City of Lakeland Firefighters' Retirement System
- City of Lakeland Police Officers' Retirement System
- Town of Davie Police Pension Fund
- West Palm Beach Police Pension Fund
- West Palm Beach Firefighters' Pension Fund
- City of Hollywood Firefighters' Pension Fund
- City of Ocoee Municipal General Employees' Retirement Trust Fund
- City of Ocoee Municipal Police Officers' and Firefighters' Retirement Trust Fund
- City of Sunrise Police Officers' Retirement Plan
- City of Boynton Beach Municipal Firefighters Pension Fund
- City of Daytona Beach Police Officers' and Firefighters' Retirement System



Philip de Boer, CPA

Senior Manager

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www.saltmarshcpa.com



Philip is a senior manager in the Audit & Assurance Services Department of Saltmarsh, Cleaveland & Gund. He has been with the firm since January of 2008. Philip's primary areas of concentration include providing audit and related assurance services for the firm's manufacturing, not-for-profit, governmental, utilities, and employee benefit plans clients.

Education

Master of Accountancy - University of West Florida

Diploma in Business and Law - University of Luneburg, Germany

Certifications

Certified Public Accountant - Florida

Professional Affiliations

American Institute of Certified Public Accountants

Florida Institute of Certified Public Accountants

Community Affiliations

Escambia County Youth Mentor

Seville Rotary - Treasurer

Gulf Coast Texans Soccer Club - Youth Coach

Governmental Audits

Philip's governmental audit experience includes the following local governments and municipalities in Florida:

- City of DeFuniak Springs
- City of Gulf Breeze
- Pensacola-Escambia County Promotion and Development Commission
- FloridaWest
- Emerald Coast Utilities Authority
- Florida Institute for Human and Machine Cognition
- Midway Water
- Council on Aging of Northwest Florida
- Community Enterprise Investment

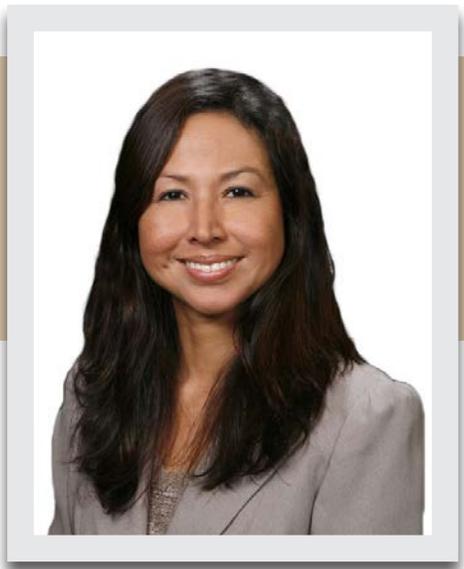


Diane Martinez

Senior

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Diane is a senior in the Audit & Assurance Services Department of Saltmarsh, Cleaveland & Gund. Since joining the firm in August of 2007, her primary areas of concentration have included providing audit and related assurance services for a number of the firm's corporate, not-for-profit, governmental and hospitality industry clients.

Education

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

Professional Affiliations

Beta Alpha Psi

Community Affiliations

Escambia County School Board - Audit Committee Member

Santa Rosa Island Triathlon

Pensacola Sports Association

Fiesta Forces

Governmental Audits

Diane's governmental audit experience includes the following local governments and municipalities in Florida:

- City of Crestview
- City of DeFuniak
- City of Crestview Police Officers' and Firefighters' Retirement Plan
- City of Crestview General Employees' Retirement Plan
- Escambia County Housing Finance Authority
- Town of Jay
- Emerald Coast Utilities Authority
- Santa Rosa Island Authority
- Pensacola State College Foundation



Emily Lalas

Staff Auditor

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www.saltmarshcpa.com



Emily is a staff auditor in the Audit & Assurance Services Department of Saltmarsh, Cleaveland & Gund. Her primary areas of expertise include providing audit and assurance services for a variety of clients. Prior to joining Saltmarsh, Emily worked in bookkeeping and office administration for a regional law firm.

Education

B.S.B.A. Professional Accountancy - University of West Florida

Community Affiliations

Guardian Ad Litem (GAL) Volunteer

Liberty Church - A1:8 Outreach Director

Governmental Audits

Emily's audit experience includes the following in Florida:

- City of Gulf Breeze
- Escambia County Health Facilities Authority
- Community Action Program Committee, Inc.
- Gulf Coast Kid's House
- Okaloosa County Comprehensive Head Start



APPENDIX B:
Peer Review Report





Report on the Firm's System of Quality Control

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) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2017. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality and complying with it to provide the firm reasonable assurance of performing and reporting in conformity with applicable professional standards in all material aspects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards when appropriate, and for remediating weakness in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, audits of employee benefit plans and an audit subject to the Federal Deposit Insurance Corporation Improvement Act (FDICIA).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Saltmarsh, Cleaveland & Gund, P.A. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2017, 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*

KraftCPAs PLLC

KraftCPAs PLLC
June 1, 2018

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