



VINCE J. WHIBBS SR. COMMUNITY
MaritimePark™
PENSACOLA, FL

COMMUNITY MARITIME PARK ASSOCIATES, INC.

OPERATIONS AND AUDIT COMMITTEE

TUESDAY, JANUARY 17, 2017– 3:00 p.m.

AGENDA

- I.** Call to Order– Chairman’s Welcome and Comments
- II.** Approval of Minutes
- III.** CMPA Property Insurance Deductible Update
- IV.** Leased Employees
- V.** Annual Audited Financial Statements
- VI.** Old Business
- VII.** New Business
- VIII.** Adjourn



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The Operations and Audit Committee of the Community Maritime Park Associates, Inc. was called to order at 1:30 P.M. on November 21, 2016. Present at the meeting were Mr. Jim Reeves, Mr. Justin Spence, Mr. James Smith, Ms. Amy Klotz, Mr. Reid Rushing (arrived 1:35) and Mr. John Merting. Absent from the meeting was Fred Gunther (excused). Also present were Mandy Bills, Executive Assistant and Erik Wortendyke, Special Events Coordinator from the City of Pensacola. The meeting was properly noticed and open to the public. These minutes are a synopsis of the actions taken at that meeting and are not intended as verbatim minutes.

- I. Chairman Merting called the meeting to order at 1:30.
- II. Chairman Merting called for any corrections, additions or deletions to the minutes of the previous meeting. No changes were noted. Mr. Reeves made a motion to approve the minutes as presented. Mr. Rushing seconded the motion. The motion passed unanimously.
- III. Chairman Merting called on Mandy Bills to review the FY 2016 Proposed Budget Adjustments. Ms. Bills noted that budget adjustments throughout the fiscal year are necessary in order to allow for unanticipated expenses or revenue.

After reviewing the necessary budget adjustments for FY 2016, Mr. Reeves made a motion to recommend to the CMPA Board of Trustees to approve the FY 2016 Proposed Budget Adjustments. Ms. Klotz seconded the motion. The motion passed unanimously.

- IV. New Business:

No new business was brought forward.

- V. Old Business

Mr. Rushing is continuing to research some additional insurance options for CMPA.

Ms. Kim Carmody gave a brief update regarding the events at the Community Maritime Park. She stated that the participation numbers continue to increase at the functions held at the Community Maritime Park. Ms. Carmody also stated that Tonya Vaden will update the Board of Trustees on the marketing and advertising of the Community Maritime Park events at the next meeting.

VI. The meeting was adjourned at 3:29 p.m.

MEMORANDUM



VINCE J. WHIBBS SR. COMMUNITY
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FOR DISCUSSION

TO: CMPA Operations and Audit Committee

THRU: John Merting, Chairman

FROM: Mandy Bills, Executive Assistant

DATE: January 17, 2017

SUBJECT: Item III – CMPA Property Insurance Deductible Update

At the CMPA Board of Trustees Meeting on September 21, 2016 the Board requested that CMPA Staff research the option of reducing the property insurance deductible due to recent damage occurring at the Maritime Park.

At the Operations and Audit Meeting on October 17, 2016, CMPA Staff reported that the City's property insurer, Florida League of Cities (Florida Municipal Insurance Trust) does not have the ability to provide separate deductibles for individual insured structures that are a part of an overall property schedule. Operations and Audit Committee Member, Reid Rushing, volunteered to research the option of a premium buydown policy. The results of that research will be reported to the Committee.

Property & Casualty Consulting and Brokerage Services

Prepared for

**Community Maritime Park
Associates, Inc.**



Presented by:

Reid Rushing, AAI, CPIA

President

Beck Partners Insurance



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Executive Summary

Introduction and Background

Beck Partners is an innovative insurance and real estate services firm with offices in Pensacola and Tallahassee, Florida, and Mobile, Alabama. We're proud to offer our services to clients throughout the Southeast as a full-lines agency that offers a complete line of personal and commercial products to assist all of the needs of our clients.

Beck Partners Insurance combines years of experience with leading-edge products to provide exceptional service and value to our customers. Our product offering includes insurance products and risk management services for commercial property; automobile liability and physical damage; workers' compensation; excess liability; marine; specialty coverages; surety; and employee benefits, including health, life, disability and payroll deduction personal lines programs.

Headquartered in Pensacola, FL, we think globally but act locally, with personal services designed specifically for each individual client. Beck Partners Insurance shares information and resources with national networks of brokers to ensure we can meet your every need, and find answers to your questions quickly and efficiently.

Our Value Proposition

Our goal is to achieve long-term relationships focused on bringing value to your risk management and insurance programs. We commit to utilizing our collective talent to support your risk management and insurance goals.

We will deliver to you the highest quality property and casualty insurance programs and strategic planning consultation services in a manner that is most suitable to achieving your business goals.

We promise to identify activities that drive claim frequency and severity, and implement an action plan to contain losses. We will identify training needs and provide onsite assistance to actively address loss sources and promote a safe work environment for your employees.

Situation Analysis

You face many environmental challenges, including safety issues, OSHA compliance burdens, carrier consolidation, rate fluctuations, and increased litigation activity. This challenging environment dictates a change in the way you purchase and manage your insurance programs. In order to compete in your marketplace, you must adopt a total cost of risk management philosophy based on data-driven decisions and globally positioned communications.

Plan Implementation

Securing the best insurance package for your business begins with planning. Analyzing all your risks is critical to successful implementation of your property and casualty insurance programs, while conversations with employees, managers and vendors will uncover areas that need additional attention. Beck Partners Insurance will partner with you by providing ongoing assistance, consultation and service that will help you control your insurance expenses and promote workplace safety.

Data Analysis

Data analysis allows you to manage and reduce your claims activity. By analyzing your losses with a sophisticated data analysis tool, we can help you develop loss control plans that will target areas with the highest potential to reduce direct and indirect costs, reduce injuries, reduce administrative time, and reduce the risk of loss of your assets. Our data analysis services will help you better manage your insurance costs, and will exceed your expectations.

Custom Communications

Understanding the increased complexity of property and casualty insurance is a challenge. Staying abreast of the issues you face and developing strategies to meet the constant demands of business can give you a competitive edge. Our communication programs will help you stay on top of the changes affecting the property and casualty insurance industry and your risk management program.

Vision

Connect + Protect

Mission

Beck Partners creates innovative partnerships that bring awesome people together to forge successful futures. We do this by recruiting and developing the best people, securing our clients best interest, and investing in our community.

Confidentiality & Disclosure

We consider as confidential any information presented by Beck Partners Insurance in our written response to your “request for proposal,” as well as subsequent verbal and written communications between our organizations.

We ask that other brokers not have access to our material and that information presented in this proposal be shared only with those who have a need to know within your company. We make our commitment to you that information already received from you, and additional to follow, will be treated with the same high level of respect and confidentiality.

ATTENTION

This proposal of coverage is intended to facilitate your understanding of the insurance program we have arranged on your behalf. It is **not** intended to replace or supersede your insurance policies.

DISCLOSURE

Beck Partners Insurance and/or Beck Partners, LLC operates within a family of companies with multiple subsidiaries and/or related entities (each an “Affiliate”) engaging in a broad range of commercial real estate and insurance businesses including, but not limited to, brokerage services, property and facilities management, consulting, valuation, investment management and development. At times the Insurance Agent may engage or refer different Affiliates to the client(s) upon the client(s) request.

For example, Insurance Agent may engage an Affiliate to assist the client with locating, selling or leasing a building, unit, or tenant. The Affiliated vendor will be selected and compensated in the same manner as all of vendors pursuant of any separate agreement that may be entered into and is not a part of the insurance agreement. You hereby acknowledge this and agree that Rushing Insurance, LLC or Beck Partners Holdings, LLC may disclose information relating to your property to any Affiliate acting as a vendor for the Property provided.

In all instances, Beck Partners, LLC and/or Beck Partners Insurance will act in the best interest of the client(s) it represents in the assignment described in this agreement and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of the client(s), but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this agreement.

REID RUSHING, CPIA, AAI

President



151 W. Main St., Suite 200
Pensacola, FL 32502

T 850.476.3745
rrushing@teambeck.com

Professional Background

Reid Rushing started his insurance career while still in college while working on his Risk Management - Insurance degree at Florida State in 1993. Reid's areas of responsibility include agency operations, business development and risk management.

In the past 15 years, he's specialized in the construction, non-profit and commercial real estate industries, designing insurance and risk management programs for these clients.

He is devoted to his profession by continuing to better his knowledge on the industry by being past president of the Pensacola Independent Agents Association, graduate of both the St. Paul Young Producer Program and the FAIA Florida Future Leaders Program.

Licenses | Affiliations, Past & Current

- Accredited Adviser in Insurance (AAI) designation
- Certified Professional Insurance Agent (CPIA) designation
- Pensacola Young Professionals
- Pensacola Professional Development Institute
- Board Chair of Southern Youth Sports Association
- Pensacola Community Maritime Park Operations and Audit Subcommittee
- Florida Health Care Association
- Florida Disaster Preparedness Committee
- Florida Chamber of Commerce
- American Subcontractor Association
- FAIA's Young Agents Council
- Florida Association of Insurance Agents
- The Global Comer Board Member
- Escambia County Planning Board Member
- UWF Trust Board of Governors Member

Education

- Bachelor of Science, Risk Management - Insurance
-Florida State University

Personal

Reid is always looking for a challenge either in the business or serving the community. He enjoys being around people, he likes to help others. Reid spends time hanging out with his wife, 2 kids and 3 dogs. When he is not with his family, you can usually find him spending time doing something fun like riding his motorcycle or skydiving.

KRISTINE RUSHING
CIC, CPIA, ACSR
COO & Risk Consultant



151 W. Main Street, Suite 200
 Pensacola, FL 32502

T 850.477.4044
 C 850.485.8480
 krushing@teambeck.com

Professional Background

Kristine Rushing has over 18 years of Property & Casualty Insurance experience working with various industries including mainstreet retail businesses, shopping centers, hotels, restaurants and contractors with property values up to \$100M and insurance premiums of \$18-20M.

On August 1, 2014, she and her husband embarked on an exciting strategic merger between McGraw Insurance Services and Beck Property Company to form Beck Partners Holdings, LLC to offer a consultative team approach for insurance and real estate clients where she will oversee organizational operations, employee training & development and mergers & acquisitions as well as managing her existing clients. The future plans of their combined venture include expanding into the southeast region, developing other service lines and becoming one of Florida's Top Places to Work.

Memberships | Affiliations

- Certified Insurance Consultant (CIC)
- Certified Professional Insurance Agent (CPIA)
- John-Maxwell Certified Leadership Coach
- Certified Risk Manager (CRM) candidate
- National Alliance for Insurance Education & Research
- Graduate of Leadership Pensacola (LeaP) in 2007
- Florida Future Insurance Leaders in 2007
- Pensacola Young Professionals
- Past President of the Independent Insurance Agent of Pensacola
- Pensacola Professional Development Institute (PPDI) in 2008 and 2009
- Training & Development Faculty Member of the Studer Community Institute

Education

- Associate degree
 -Pensacola Junior College, 2000
- National Alliance for Insurance Education & Research

Personal

When she's not at work, Kristine enjoys spending her time with her family, which fuels her desire to create a future for them to enjoy and build upon.

CINDY RITCHIE

Commercial Lines
Account Manager



151 W. Main St., Suite 200
Pensacola, FL 32502

T 850.476.3745
critchie@teambeck.com

Professional Background

Cindy Ritchie joined Beck Partners in February 2016. Ritchie has over 20 years of experience in the insurance industry. Prior to Beck Partners, she worked at the Joe Pace Insurance Agency where she spent the past 15 years as an Office Manager and Agent working directly with clients, insurance companies and employees.

Highlights of her experience include tailoring insurance programs for her clients' specific needs, analyzing existing insurance programs and explaining coverages, identifying coverage gaps, working with underwriters and servicing all aspects of client requests taking on an overall consultative role. Client satisfaction and a greater understanding of commercial insurance is what motivates Cindy.

Licenses

- 2-20 agent license

Personal

In her spare time, Cindy enjoys camping, ATVing and spending time with her husband and grandchildren.

Advantages

Unique Market Position

- Independent and Entrepreneurial
- Large Regional Broker with Strong Market Relationship and Carrier Clout
- Established and Financially Viable

Experienced and Diverse Team

- 50 Combined Years of Experience for Professional Staff
- Industry Credentials
- Market Expertise in Wide Variety of Industries

Network of Resources

- Certified Professional Insurance Agent
- Florida Disaster Preparedness Committee
- American Subcontractors Association
- Florida Association of Insurance Agents

Strong Loss Control and Claims Support

- Focuses Carrier in Proper Direction to Reduce Client Costs
- Act as Client Advocate with Carrier, OSHA, DOT
- Expertise in Special Loss Control Project Work
- Claims Expertise to Negotiate Best Outcome for Client
- Stellar Communication and Claims Management Capabilities

Consultative Risk Management Support

- Identify Exposure to Risk
 - Evaluate Options for Resolution
 - Implement Selected Approach
 - Monitor Outcome
-

Areas of Specialization

Industry Focus

Shopping Centers

Construction

Service

Lessor's Risk

Hospitality

Habitational

Retirement Facilities

Nursing Homes

Risk Management

Property

General Liability

Automobile Liability

Workers' Compensation

Inland Marine

Umbrella/Excess Liability

Builders Risk

Captives

Product Recall

Master Programs

Personal Asset Protection

Loss Control

Data Analysis

Workplace Assessment

Training and Education

Safety Committee

Development/Support

OSHA Compliance Assistance

Mod Verification/Projections

Injury Review

Ergonomics

Claims Alignment

Cost Containment Strategies

Claim Reserve Review

Client Advocate

24-Hour Claim Reporting

Loss Analysis

Loss Projections

Loss Prevention

Other

Business Continuity

Key Man Life

Property & Casualty Services

Our range of value-added services includes delivering you custom solutions for all of your property-casualty needs including: exposure analysis, retention analysis, claims analysis, loss control techniques, OSHA compliance and reporting, safety education and training, and developing safety policies and programs.

Risk Management

- We promise to identify your exposures to loss.
- We promise to examine and recommend alternative techniques to control your loss.
- We promise to implement and monitor the techniques we recommend.
- We promise to seek continuous improvement.
- We have many tools and resources available to help you achieve your risk management goals.

Exposures

- Is your property valued correctly?
- Do you have employment-related issues?
- Do you have workers' compensation issues you don't know how to address?
- Is your net income protected?
- How much insurance do you need to protect your net income? Your assets?
- What deductibles should you have?

We will not take your business for granted. We promise to learn all we can about your business so we can provide you with expert recommendations and solutions to minimize exposures.

Loss Control Techniques

- How can you avoid loss?
- How can you reduce the potential for loss?
- Can you separate your losses?
- Can you transfer risk through contracts?
- Did you know that 75% of commercial insurance expenses are claims-driven?

We promise to explore the answers to these questions and many more with you. We are committed to helping you reduce your claims-driven expenses through aggressive cost containment strategies.

Communications

Beck Partners Insurance is committed to keeping you and your employees informed. Through our online services, we can provide you with payroll stuffers, workplace posters, ready-to-use employee newsletters, and safety alerts designed to help you control and avoid work-related losses.

OSHA

- What is a recordable incident? What is not?
- How can you prepare for an OSHA inspection?

Our OSHA incident analysis system is designed to drive down your cost of compliance. Our tools and resources, such as easy-to-understand flowcharts, spreadsheets and online OSHA reporting and analysis, allow you to trend your performance over time and compare it against national benchmarks on a SIC code basis.

Education and Training

We provide onsite management and employee seminars. They are designed to help you increase safety and reduce losses, and they provide an atmosphere for team building. Together we can determine the topics that best suit your needs.

Risk Management

Do you find it difficult to keep up with legislation affecting insurance, your industry and your business? Do you need help recognizing and assessing all the trends that may have an impact on your business? Our Risk Insights publication helps you understand the latest issues affecting property and casualty insurance, and to address those issues.

Safety Handbooks & Policies

We are committed to helping you foster a safety-minded environment for your employees. Our dedicated staff of professionals will help you develop and implement safety handbooks and policies to promote your safety culture to your entire workforce.

Claims Analysis

Trying to control your claims experience can leave you feeling powerless. We can help. Our tools and resources help you respond to, track and manage losses as they occur. We can also analyze your aggregate loss history to determine where significant losses are occurring, and develop strategies to mitigate them.

Technology Solutions

At Beck Partners Insurance, we've partnered with one of the nation's leading Risk Management organizations to continually look for innovative risk management resources and value-added services to ensure your customer satisfaction.

Additional Beck Partners Services

Commercial Real Estate

Brokerage and agency services include acquisitions and disposition; lease and sale negotiations based on marketing knowledge and current trends; incentives negotiations; and build-to-suite analysis and planning.

Property Management

Property management service provides Marketing and Leasing of buildings and/or space, Construction Administration and Management, Accounting and Financial Reporting, Budgeting and Tenant Relationships and Retention.

Valuation Advisory Services

Valuations, highest and best use analysis, feasibility studies, dispute resolution services, litigation support and receivership services.

Development and Investment

Experience professionals specializing in office, retail, industrial, multi-family and medical properties. Provides Build-to-Suite and redevelopment capabilities and investment sales or opportunities to participate in strategic joint ventures.

Real Estate Recovery and Resolution

Provides solutions for real estate holdings that quickly mitigates losses and physical deterioration while working towards economic recovery and viability.

Coverage and Premium Breakdown

Property (Community Maritime Park Property, Pensacola, FL 32502)

	Deductible	Limits
Total Insured Values (See Schedule)	*See Options	\$ 22,923,008
Named Storm Ded.	*See Options	
All Other Wind Ded.	\$25,000 Per Occ.	
Option I <u>Terms & Conditions</u> <ul style="list-style-type: none"> - Special Form - Replacement Cost - Co-Insurance (Waived) - \$5,000 AOP Ded. - 2% Named Storm Ded. (\$25,000 Min.) - \$10,000 Ded. – Lightning - \$10,000 Ded. – Water Damage - 35% Minimum Earned Premium <u>Sub Limits</u> <ul style="list-style-type: none"> - \$10,000 Pollutant Clean Up and Removal - Ordinance or Law A (Included) - \$1,000,000 Ordinance or Law B&C - \$25,000 Underground Pipes (as a result of covered peril) 	Option II <u>Terms & Conditions</u> <ul style="list-style-type: none"> - Special Form - Replacement Cost - Co-Insurance (Waived) - \$10,000 AOP Ded. - 3% Named Storm Ded. (\$25,000 Min.) - \$100,000 Ded. - Flood - 35% Minimum Earned Premium <u>Sub Limits</u> <ul style="list-style-type: none"> - \$500,000 Flood *See Attached	

Option II Sub Limits

Coverage	Limits
Accounts Receivable	\$ 100,000
Builders Risk	\$ 100,000
Debris Removal Lessor of	25% of the amount of covered physical loss or damage to Covered Property or \$500,000
Electronic Data and Media	\$ 100,000
Errors and Omissions, subject to all other sub limits contained herein	\$ 100,000
Fire Arts	\$ 25,000
Fire Brigade Charges	\$ 15,000
Fungus, Molds, Mildew, Spores, Yeast	\$ 15,000 Per Occ & Annual Agg.
Leased or Rented Equipment (not to exceed \$1,000 any one item)	\$ 25,000
Leasehold Interest	\$ 25,000
Limited Pollution Coverage (Annual Aggregate)	\$ 15,000
Lock Replacement	\$ 5,000
Miscellaneous Unnamed Locations, subject to all other sub limits contained herein	\$1,000,000
Newly Acquired Property, subject to all other sub limits contained herein	60 Days in no event will this policy pay more than \$250,000
Ordinance or Law <ul style="list-style-type: none"> - Coverage A - Coverage B: The lesser of Limit per Building - Coverage C: The lesser of Limit per Building or Included in Coverage B if combined. - Coverage D: (if covered) 	Included \$500,000 or 15% of Building \$500,000 or 15% of Building Included in Time Element
Pair or Sets	\$ 25,000

Option II Sub Limits

Coverage	Limits
Plants, Lawns, Trees or Shrubs (\$1,000 for any one)	\$ 50,000
Professional Fees for All Claims Combined	\$ 10,000 Per Occ. & Annual Agg.
Protection and Preservation of Property	\$ 100,000
Reclaiming, Restoring or Repairing Land Improvements	\$ 10,000
Reward Reimbursement	\$ 25,000
Spoilage	\$ 5,000
Transit	\$ 10,000
Valuable Papers or Records	\$ 10,000
Personal Property of Others	\$ 10,000
Property Off Premises	\$ 10,000
Sinkhole	\$ 10,000

Premium Recap

	Option I Premium	Option II Premium
Property	\$ 98,000.00	\$ 99,000.00
Terrorism	\$ 5,000.00	\$ 2,970.00
Fees & Taxes	\$ 5,867.06	\$ 5,279.21
Total	\$ 108,867.06	\$ 107,249.21

Payment Methods

Option 1 Payment in Full

Option 2 Premium Finance

Wind Buy-Back Options (Based off of Option 1 – 2% Named Storm Deductible)

Option 1 – Buy down 2% NS (\$458,460.16) to 1% NS (\$229,230.08) ded. – Annual Premium is \$12,574.68

Option 2 – Buy down 2% NS (\$458,460.16) to .05% NS (\$114,615.04) ded. – Annual Premium is \$22,847.84

Insurance Coverages for Further Discussion

This section lists important insurance coverages not included or limited in our proposal. Please review these items. If you need coverage in these areas, we will be happy to develop appropriate proposals.

Property/Boiler

- Blanket Building and Contents
 - Boiler and Machinery
 - Buildings Under Construction
 - Business Interruption
 - Business Interruption/Extra Expense (combined)
 - Coinsurance Penalty not Waived on Building and Contents (agreed amount)
 - Comprehensive Form
 - Contingent Business Interruption
 - Contractors Equipment
 - Demolition and Increased Cost of Construction Due to Application of Building Laws or Ordinances
 - Electronic Data Processing Equipment and Media (Mechanical Breakdown, Business Income/Extra Expense)
 - Extended Period of Indemnity
 - Extended Period of Indemnity
 - Fences
 - Fine Arts
 - First Party Pollution
 - Flood/Earthquake/Sewer Backup
-

- Off-Premises Power Failure
- Ordinary Payroll
- Outdoor Property
- Production Machinery
- Property of Others
- Property Off-Premises (temporarily stored, salesman's samples, exhibitions, etc.)
- Property in Transit
- Service Interruption (including or excluding overhead transmission lines)
- Signs
- Underground Pipes, Flues, etc.

Liability

- Appropriate Additional Insureds (vendors, lessors, mortgagees, where required by written contract, etc.)
 - Employee Benefits Liability
 - Employment Practices Liability
 - Fellow Employee Coverage – Officers, Managers, and Supervisors
 - Garagekeepers Legal Liability
 - Professional Liability (Errors and Omissions)
 - Pollution Legal Liability (third party coverage)
 - Product Recall
-

Automobile

- Drive Other Car Coverage
- Fellow Employee Coverage – Officers, Managers, and Supervisors
- Hired Car Physical Damage
- Rental Reimbursement
- Special Equipment (CB Radio, Telephone, Other Special Equipment)
- Transportation of Pollutants

Crime

- Computer Fraud
- Counterfeit Currency
- Credit Card Forgery
- Depositors Forgery
- Employee Dishonesty
- Money and Securities
- Pension and/or Profit Sharing Plan (ERISA)

Miscellaneous

- Directors and Officers Liability
 - Entity Coverage
 - Employers' Liability in Ohio, Wyoming, North Dakota and Washington
 - Employment Practices Liability
 - Fiduciary Liability
 - International Coverages
-

- Property
 - Automobile Liability
 - Ocean Marine
 - Liability
 - Workers' Compensation
 - Crime
- Performance and Bid Bonds
 - Umbrella Coverage
 - Workers' Compensation in Ohio, Wyoming, North Dakota and Washington

This proposal is not a substitute for your insurance policies. Determination and/or application of coverage is totally dependent upon the circumstances surrounding the occurrence and the allegations within the claim and/or lawsuit.

Discussed with:

Company Name:

Date:

Coverage Changes and Developments

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in any operation such as expansion to another state, new products.
 2. Mergers and/or acquisition of new companies.
 3. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
 4. Circumstances which may require an increased liability insurance limits.
 5. Any changes in fire or theft protection, such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to same.
 6. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
 7. Property, of yours that is in transit, unless we have previously arranged for the insurance.
 8. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed, or occupied.
 9. If an insured intentionally conceals or misrepresents a material fact, regarding coverage, this allows the Insurance Company to void the contract.
-

Description of Miscellaneous Coverages

This section provides brief highlights of various coverage areas. For details, please review the forms specifically being offered.

1. **Agreed Amount:** Suspends the coinsurance clause, eliminating the penalty for under-insurance normally contained in property policies. This endorsement usually requires verification of values through appraisal or recognized valuation methods.
 2. **Boiler and Machinery Coverage:** Provides coverage for boilers and other machinery used to service the building. The policy can be broadened to include production machinery as well. Coverage is provided for damage due to explosion or breakdown of machinery; however, wear and tear losses are excluded.
 3. **Business Income/Extra Expense:** Provides money for lost income should your business suffer a covered loss that prevents you from operating. An extended period of indemnity endorsement will continue to pay loss of income from the time your operations begin again until the specified time is over. This allows you time to rebuild your clientele to the point you were at before the loss.
 4. **Employee Benefits Liability:** Insures against loss resulting from errors or omissions in the administration of employee benefit programs.
 5. **Demolition Cost:** Covers the cost to demolish the undamaged portion.
 6. **Directors and Officers Liability Insurance:** Provides protection for wrongful acts of directors and officers, which may result in shareholder, customer and employee lawsuits.
 7. **Drive Other Car Coverage:** Fills the coverage gap that exists when the driver of a company car or his/her spouse drives some other vehicle (for instance, a friend's car). Coverage can also be provided for children of driving age. This coverage should be purchased for any employees with company cars who do not have other cars personally insured in their household.
 8. **Employee Dishonesty Coverage:** Covers losses due to employee theft of merchandise or embezzlement. ERISA requires employers with benefit plans to carry employee dishonesty coverage with a limit equal to 10% of total plan assets.
 9. **Employment-Related Practices Insurance:** Coverage available to protect against claims for wrongful termination, discrimination, and sexual harassment and provides money for defense against these allegations.
-

10. **Fiduciary Liability Insurance:** Covers losses relating to your duties as a fiduciary of employee benefit plans. ERISA has made trustees of these plans personally liable. Trustees include the insured's officers, managers and employees who administer such plans.
 11. **Foreign Liability Insurance:** Pays for lawsuits brought in most foreign countries. Can include foreign auto coverage which is usually in excess of locally purchased coverage on rented vehicles, and workers' compensation insurance including repatriation and endemic diseases (affords coverage to bring an injured or ill person back to the United States).
 12. **Hired Automobile Physical Damage:** Provides protection for damage to a vehicle rented by the corporation.
 13. **Increased Uninsured/Underinsured Motorists Coverage:** Affords passengers in your vehicles a higher limit of protection from drivers with inadequate or no insurance who are at fault in an accident.
 14. **Increased Cost of Construction:** Covers increases in expense to repair or replace the building arising from requirements to bring it up to code or conform in other ways to current laws, such as ADA accessibility requirements.
 15. **Ordinance or Law:** Covers loss of value to the undamaged portion of an existing building that an ordinance or law requires to be demolished.
 16. **Pollution:** Coverage is excluded or sublimited under all standard forms. Depending on your exposures, additional coverage may be needed.
 17. **Property/Legal Liability Limit Increased/Coverage Expanded:** Provides a higher limit of coverage for fire losses caused by your negligence that damage the building or property for other tenants. Most policies provide a \$50,000 limit, which may be inadequate. Also, it is recommended that you insure not only against the peril of fire, but other perils as well, such as water damage. We would first review your lease to determine if your landlord has waived subrogation against you, making this enhancement unnecessary.
 18. **Service Interruption Coverage:** Can be on a direct damage basis (covering damage to your property) or on an indirect damage basis (covering your loss of income), which results from damage to properties that provide water, communications, or power supply services. A broader form covers damage to overhead power transmission and communication lines. This coverage needs to be considered for both property and boiler/machinery perils.
 19. **Umbrella:** Provides an additional layer of protection that is in excess of your liability coverages.
-

Carrier Ratings by Financial Strength

Insurance carriers are rated based on their financial stability and their ability to pay claims. The two most recognized rating firms are A.M. Best and Standard & Poor's.

A.M. Best rates a carrier based on its financial stability. Best's categories are A++ to C-. A rating of A++ is given to companies considered the most financially stable.

Standard & Poor's (S&P) rates carriers based on their ability to pay claims. S&P's ratings for companies considered secure are AAA, AA, A, and BBB, with AAA equating to "superior" and BBB equating to "adequate." S&P's ratings for vulnerable companies include BB, B, CCC and R.

Insurance Company	A.M. Best Company Rating
Axis Surplus Insurance Company	A+XV
United Specialty Ins. Co.	A VIII
Interstate Fire & Casualty Company	A+XV

Carrier Ratings by Size

In order to help you evaluate and select appropriate insurance carriers, we have provided below the carrier ratings assigned by A.M. Best.

Best's Overall Company Size Ratings	
<u>Class</u>	<u>Policyholder Surplus</u>
Class V	\$10,000,000 - \$25,000,000
Class VI	\$25,000,000 - \$50,000,000
Class VII	\$50,000,000 - \$100,000,000
Class VIII	\$100,000,000 - \$250,000,000
Class IX	\$250,000,000 - \$500,000,000
Class X	\$500,000,000 - \$750,000,000
Class XI	\$750,000,000 - \$1,000,000,000
Class XII	\$1,000,000,000 - \$1,250,000,000
Class XIII	\$1,250,000,000 - \$1,500,000,000
Class XIV	\$1,500,000,000 - \$2,000,000,000
Class XV	\$2,000,000,000 or more

Risk Management Services

We can help you develop a risk management program tailored for your business and your specific needs. These programs help you control your risk by providing pro-active solutions for you and your employees that will help you control your risk and minimize your losses.

Service	Basic Service	Fee	Advanced Service	Fee
Employee Safety Manual	Employee Safety Manual	\$150	Customized safety manual for employer. Contract with legal counsel for compliance review	\$500 + cost of legal fees
OSHA Compliance Package	Provide an employee training program, video, quiz, and PowerPoint on one of the OSHA compliance topics featured in Broker Briefcase.	\$250 per topic	Provide access to online OSHA recordkeeping portal (via MyWave Elements) and host training session on recordkeeping requirements.	\$1,000
Fleet Safety	Provide a copy of Fleet Safety Policy.	\$150	State-certified training provider to host defensive driving training session for employees.	\$1,000 + cost of 3 rd party trainer
Employment Law Compliance	Distribute state-specific Employment Law series documents.	\$250	One hour webinar/Q&A session on state-specific regulations.	\$250 per seat or free with referral
Return to Work Program	Materials to create a return-to-work program—including sample policy.	\$500	Customized return-to-work program for employer, including written policy, protocols for accident investigation (including form from Broker Briefcase), light duty job bank and relationship with occupational clinic.	\$2,000-\$3,000
Newsletters	Scheduled newsletters	Free	Newsletters and educational seminars on related topics.	\$250 per seat or free with referral
Business Continuity Program	Provide sample business continuity plan and informative documents to help customize the plan.	\$250	Customized business continuity plan for the employer and training.	\$2,500-\$5,000
Safety Meeting Materials	Distribute Playing it Safe, Target on Safety and Safety Matters/“Toolbox Talks” documents to spark ideas for weekly safety meetings.	\$150	Host monthly safety meetings	\$500
Total Cost of Risk Assessments	Total Cost of Risk Calculator.	\$150	A 60-minute meeting to complete the total cost of risk assessment tool, analyze results and create a plan of action.	\$500

Service Performance Plan

	Actual		Beck Partners Insurance		
	Start	Complete	Responsibility	Responsibility	Approval
Performance Graphic – Overall					
Review status of “unaddressed” insurance and bonding lines					
Establish operating standards and response regimes					
Conduct comprehensive program analysis					
Establish stretch goals for selected activities					
Deliver competitive quotes on all unaddressed lines					
Position program for positive repricing					
Performance Graphic – Administration					
Identify/introduce team members					
Meet to discuss certificate needs					
Issue binders, auto ID cards and certificates					
Monitor progress of policy issuance and delivery					
Perform contract reviews					
Monitor policy changes					
Perform midterm review					
Meet to discuss renewal program					

Service Performance Plan

Performance Graphic – Loss Control					
Meet with loss control					
Develop loss control action plan					
Visit out of state locations					
Develop measurable goals by region					
Coordinate and monitor loss control activities and progress					
Review loss trending, benchmarking and goal-setting					
Performance Graphic – Claims Management					
Meet to review claim procedures and reporting					
Continuously track and monitor all reported claims					
Schedule and attend claim reviews					
Coordinate and monitor claim activities for all locations					
Serve as liaison between client, insurer and/or claims servicing parties					
Act as advocate on disputes, issues and problems					
Provide claim status updates					
Evaluate claims handling performance of TPA or service contractors					
Performance Graphic – Resources					
Select client portal administrator					
Determine site access					
Conduct client portal training					
Conduct online OSHA 300 Log training					

Claims Cost Containment

Part of any solid loss control program includes claims cost containment strategies. Beck Partners Insurance is committed to providing you with proactive claims management services focused on minimizing overall claims expenses. This includes:

Managing Claims

- Initial procedure set-up meetings
- Claim review meetings
- Advocacy assistance
- 24-hour emergency claim reporting on

Online Services: Property Claim Report

Insured Info	Attach Document	Incident	Witnesses Info	Confirm
Step 1 of 5: Welcome to the Property Claim Report wizard. To report a property claim loss to your broker, enter all appropriate information on the following tabs. Note: Any missing information may delay your request.				
<div style="text-align: right;">Required field</div> Insured Information Choose your broker contact: <input type="text" value="Select..."/> Company name: <input type="text" value="Crazy Company"/> Your name: <input type="text" value="Ashley Bucholtz"/> Your phone number: <input type="text"/> Your fax number: <input type="text"/> Your e-mail address: <input type="text" value="ashley.bucholtz@zywave.com"/>				
				<input type="button" value="Next >"/>

Claims Cost Containment & Fraud Strategies

From conducting an accident investigation to educational information on how to detect fraud, our claims cost containment resources will help you to minimize losses and protect your bottom line. This includes proper reporting, accident investigation, implementing a return to work program, educating employees, etc.



safety matters

From your safety partners at [B_OfficialName]

Fighting WC Fraud in the Workplace

According to the Occupational Safety and Health Administration (OSHA), companies that train their workers fully and with concern have the lowest lost time and permanent disability compensation (PDC) claims.

You don't need to be a supervisor to prevent WC fraud. In fact, as an employee, there are 10 proactive steps you can take:

1. Get educated. Understand your rights concerning workplace WC claims and the penalties for fraudulent ones. Participate in safety meetings on the topic - you may even have some valuable suggestions.
2. Help maintain a safe work environment. Make sure to look over [B_OfficialName]'s Safety or Injury Prevention Program so that you are equipped for potential hazards.
3. Familiarize yourself with [B_OfficialName]'s Return to Work program. Experience shows that injured workers recover faster when they return to work. Returning to regular work usually occurs more quickly when transition or modified work is offered to the injured employee.
4. Keep in touch. If you become injured, touch base with your supervisor every so often to keep them up-to-date on your progress. Your diligence will be appreciated, and you are likely to separate yourself from others that have suspicious WC claims.
5. Use the new [B_OfficialName] to ensure your accountability.
6. Learn the job. Performance forms are to fill out and check to be thorough - not a chore.
7. Make sure. Investigate the meaning from the job behavior and supervisor.
8. Participate. If you need make sure about your conduct or have noticed.
9. Think before. Serious accidents happen to those who can go claiming.
10. Be honest. Get over it and worth it in.



WORK COMP INSIGHTS

Fighting Fraud with Special Investigation Units

Do Your Part to Eliminate Fraud

While there are those to help, not everything can be left up to them. It is important that you take proactive measures to eliminate fraudulent activity before it requires the attention of an SIO.

Strong workplace safety programs make it harder for dishonest employees to fabricate workplace injuries. Also, set strict injury reporting guidelines so you can monitor the claim from the onset. Finally, whether it is discovered by you or an SIO, vigorously prosecute all fraud-related cases. It is important to show that your organization will not tolerate any abuse of the workers' compensation system.

WORKING TOGETHER TO COMBAT WORKERS' COMPENSATION FRAUD

Presented by: [B_OfficialName]

Claims Data Analysis

Can you answer the following? If not, we can help you to take your claims analysis to the next level with our data analytics.

- What specific factors are driving total claims dollars and counts?
- Which departments or divisions can serve as models for best practices in resolving claims? How can you best reduce outstanding reserve dollars?
- What specific loss sources are driving frequency and severity rates?
- Which specific locations, departments and loss sources are contributing to high cost claims?
- Are veteran employees or newer workers injured more frequently? What type of training is needed for these specific groups of employees?

ModMaster®

Realize your company's full potential for cost savings with a complete mod analysis. We can help you better understand your mod rating and determine just how much you could be saving on your work comp premiums. Using your loss history information we can work together to create a targeted loss control program to decrease your total costs.



Loss Control Solutions – Evaluation and Action Plan

From strategic planning to implementation, your loss control solutions will be tailored to your needs. Our mission is to help you to reduce employee injuries, reduce your total cost of risk including insurance costs, promote continuous improvement in safety and improve OSHA compliance. How do we achieve this? By providing strategic planning, program development, custom safety materials and execution through:

- Loss control evaluation
- Preventive action planning
- Active safety program support

We utilize the following tools to conduct a total cost of risk assessment and document a plan of action.

Loss Control Solutions – Overview

Based on our loss control and risk assessments, Beck Partners Insurance will provide loss control solutions tailored to its unique needs. To support your safety program initiatives and to control losses, we can provide access to a host of materials including:

- Hundreds of safety materials, including employee safety handbooks, formal workplace programs, and educational materials for employees
- Workplace safety checklists designed to help you to audit your safety procedures and practices quickly and easily
- OSHA compliance reference, training and presentation materials to support your compliance needs
- Workers' compensation materials to help you control your mod and reducing lost-time injury rates
- Employer- and employee-specific safety education materials
- Ergonomics tools to reduce lost time injuries and keep employees healthy
- Safety committee resources
- Risk management and coverage insights
- Certificate of request resources
- Claims cost containment forms and resources

The following section highlights a sampling of the loss control solutions that we will provide to you.

Loss Control – Employer Risk Management Solutions

Whether it's helping you understand what impacts your workers' compensation experience modification factor (mod), your employment practices liability risk or alerting you to new OSHA compliance requirements, we have the resources to keep you informed.

To help stay abreast of current risk, compliance and coverage issues, we will provide you timely news and information that ensures you're able to understand and manage your risk. A few samples of the type of information we will provide are featured below:



Loss Control – Employer Workplace Safety Solutions

To support your company's safety program initiatives and to control losses, we will provide you with access to a large collection of workplace safety materials that help you to develop, audit, enhance and support your safety program and workplace practices quickly and easily. Resources include employee safety manuals, workplace policies, safety and return to work policies, safety committee materials, safe operating procedures and workplace safety checklists — to name a few.

Fleet Safety Policy
Prepared by: [B_OfficialName]

[C_OfficialName]
Location: (insert location)
Effective Date: (Effective Date)
Revision Number: 1

[C_OfficialName] recognizes that our employees are our most valuable asset and the most important contributors to our continued growth and success. Our Company is firmly committed to the safety of our employees. [C_OfficialName] will do everything possible to prevent workplace accidents and is committed to providing a safe working environment for all employees.

Motor vehicle accidents are the leading cause of work-related fatalities. The environment in which these accidents occur involves numerous factors. [C_OfficialName]'s Fleet Safety program recognizes that the safety of our employees is a top priority and that the safety of our employees is a top priority and that the safety of our employees is a top priority.

To further this goal, our Company has developed a Fleet Safety program consisting of six components: 1. Maintenance, Accident Investigation and Prevention, 2. Driver Selection, 3. Driver Training, 4. Vehicle Inspection, 5. Accident Prevention, and 6. Accident Investigation and Prevention.

Recruitment:
[C_OfficialName] focuses its recruitment efforts on the following areas:
• List past driving experience
• Notify [C_OfficialName]
• List references

Driver selection will be made using a reference verification, review of driving record, and a written test. Authorizations will be given to the driver at the time of hire.

MVRs will be requested upon hire and at a minimum of at least once a year. If an MVR is determined to be unsatisfactory, the driver will be given an opportunity to improve. If the driver fails to improve, the driver will be terminated and/or dismissed.

Prepared by: _____ Date: _____

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SAFETY & HEALTH COMMITTEE RESPONSIBILITIES
[C_OfficialName]

In order to promote better communication between employees and management, a Safety & Health Committee has been established for [C_OfficialName] operations. Its primary function is to serve as a two-way channel of communication and to promote safety awareness throughout the workplace.

ORGANIZATION
The Safety & Health Committee will consist of:
Safety Coordinator
Associate Safety Coordinator
Production Manager
Shop Supervisor
Warehouse Supervisor
Shipping Supervisor
Two Machine Shop Employees
One Warehouse Employee
One Shipping Employee

The Employee Safety & Health Committee will meet monthly. The meeting will be chaired by the Safety Coordinator or Associate Safety Coordinator. Should a scheduled meeting have to be postponed, it will be held later in the month, on a date and at a time determined by the Safety Coordinator.

FUNCTION
The Safety & Health Committee has the following functions:
1. Conduct Safety/Housekeeping inspection(s) of one or more departments as part of each meeting.
2. Review and update safety rules and safe operating procedures.
3. Review accidents and "near miss" incidents reported since the last meeting, and suggest means for preventing future occurrences.
4. Convey, review and comment on safety suggestions submitted by Employees.
5. Plan and carry out various safety promotion activities (such as contests, award programs, etc.)
6. Promote safety awareness among all employees through safe attitudes and day-to-day interactions.
7. Review safety impacts of equipment/facility changes and multi-shift operations.

When selecting members, take into account an employee's personal experience with safety. Someone from a specific work area with a history of accident or injury problems can bring valuable insights to the Committee. Volunteers or individuals who show they have an interest in safety are also good candidates. Likewise, individuals with a good safety record can bring their own experience to the group.

Rotate membership so that members exposed to Safety & Health Committee issues are "circulated" back into the workforce and others are brought in.

Required	Yes	No	Provided/Performed by	Owner	Yes	No	Done	Yes	No
Are any permits required?	Yes	No	Vendor	Yes	No	Yes	No	Yes	No
If so, which and date applied for:	Required	Yes	No	Provided/Performed by	Owner	Yes	No	Done	Yes
	Yes	No	Vendor	Yes	No	Yes	No	Yes	No
Is a field office ordered?	Required	Yes	No	Provided/Performed by	Owner	Yes	No	Done	Yes
	Yes	No	Vendor	Yes	No	Yes	No	Yes	No
Is a telephone installed? Has the number been given to the main office?	Required	Yes	No	Provided/Performed by	Owner	Yes	No	Done	Yes
	Yes	No	Vendor	Yes	No	Yes	No	Yes	No
Is a project sign ordered?	Required	Yes	No	Provided/Performed by	Owner	Yes	No	Done	Yes
	Yes	No	Vendor	Yes	No	Yes	No	Yes	No

Ergonomics Workstation Checklist

This checklist is designed to help you evaluate your computer workstation and your video display terminal (VDT) to prevent common stresses and injuries associated with use.

CHAIR

A well-designed and adjustable chair improves circulation and posture, and prevents back stress and fatigue. Check the following:

- ☐ Chair height (up/down) and backrest tension/angle are easily adjustable
- ☐ Chair is equipped with a padded seat and back cushion
- ☐ Front edge of seat pan is rounded and seamless
- ☐ Seat is at least 18" wide x 15" long
- ☐ Chair has non-slippery upholstery with porous "breathable" fabric
- ☐ Backrest has height adjustable lower back support
- ☐ Backrest is at least 18" tall x 14" wide
- ☐ Seat tilts back only slightly as the backrest tilts back
- ☐ Chair swivels easily on casters
- ☐ Chair is supported with five legs for stability
- ☐ Base of chair is at least 24" around
- ☐ Height and width adjustable arm rests provided if needed

FOOT/LEG POSITIONS

Proper foot and leg positions help prevent stress in your neck and shoulders plus prevent cramping and stiffness in your legs. Check the following:

- ☐ Feet are flat on the floor or on a footrest
- ☐ You have 3" - 6" of legroom between legs and workstation
- ☐ Thighs are parallel to floor
- ☐ Knees are at 90-110 degree angle

KEYBOARD (arm and wrist position)

Proper positioning of your keyboard, arms and wrists will improve comfort and avoid injury. Check the following:

- ☐ Keyboard is detachable and slightly sloped at about 10-15 degrees
- ☐ Keyboard is prevented from slipping
- ☐ Wrists are relaxed and straight (neutral)
- ☐ Wrist rest or parallel support arm rests used, if needed
- ☐ Arms are close to body with elbows at 90-degree angle
- ☐ Wrist/forearms are parallel to floor

Site Operations Safety Manual

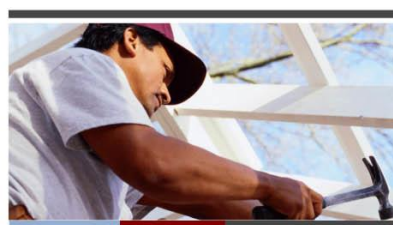
General Information

Safety Policy Statement

[C_OfficialName] recognizes that our people drive the business. As our most critical resource, employees will be safeguarded through training, provision of appropriate work surroundings and procedures that foster protection of health and safety. All work conducted by [C_OfficialName]'s employees will take into account the intent of this policy, and safety.

a safe working
environment for
our families, the
community, and
the job. All
work activities
must be done in
a safe and healthy
workplace that is
free from hazards
and programs.

conditions for
is why
scope of
safety, management
and
accidents and
injuries.
and strong
facility health
is achieved.
the scope of this
is to minimize
injuries. Together, we



[C_OfficialName] Site Operations Safety Manual

Provided by: [B_OfficialName]

This site operation manual is a guideline to reduce workplace accidents. It may not prevent all accidents from occurring. It does not address potential compliance issues with Federal, State or local OSHA or any other regulatory agency standards. It is not to be evaluated or construed as legal advice. Consult your licensed commercial Property and Casualty representative at [B_OfficialName] or legal counsel to address possible compliance requirements. © 2007, 2011 Zymex, Inc. All rights reserved.

Safety Matters Toolbox Talks

Promoting a Safety-Minded Work Culture

According to OSHA, one of the most effective ways to develop a safety-minded culture is to involve employees in ongoing “toolbox talk” safety meetings. These brief and informal meetings allow you the opportunity to gather workers together to alert them about potential workplace hazards.

To provide tools to frontline managers, we offer a complete line of *Safety Matters* flyers including:

- Hand Protection
- Hand Tool Safety
- Fire Safety
- Defensive Driving Techniques
- Safe Lifting Techniques
- Accident Prevention
- Ladder Safety
- Slips and Falls
- Power Truck Safety
- Hazard Communication
- First Aid Basics
- Welding and Cutting
- Avoid Heat Illness
- Lock Out for Safety

safety matters

Toolbox Talks for [C_Officialname]

From your safety partners at [B_Officialname]

Using Safety Data Sheets (SDS)

When working with chemicals, you must be familiar with a material's properties so you can take the proper safety precautions. This is accomplished by using Safety Data Sheets (SDS).

Your First Step: The SDS
SDS protect you from hazardous materials in the workplace by providing information about a substance's properties, precautions for safe handling, use and storage, potential health hazards and first aid procedures. Before you begin working with a new chemical, always reference the SDS.

The easiest way to look up a material is by the name listed on the product's label. The SDS information may look a bit confusing at first, so here's how the information is typically grouped:

1. Identification
2. Hazard identification
3. Composition/information on ingredients
4. First-aid measures
5. Fire-fighting measures

12. Ecological information
13. Disposal considerations
14. Transport information
15. Regulatory information
16. Other information

When reviewing an SDS, scan it for safety precautions, health effects, storage, specific cautions and disposal instructions before using any chemical for the first time.

In Case of Emergency
An SDS is an excellent source of information to consult when a person is exposed to a hazardous product by inhalation, spillage, etc. It's your job to learn about a material's hazardous properties before an emergency occurs. What if a chemical splashes into a co-worker's eyes? You'll want to know how to help immediately, rather than waste valuable time by having to track down the

Always review the SDS for every hazardous material before its use. Then, take the necessary safety precautions.

safety matters

Toolbox Talks for [C_Officialname]

From your safety partners at [B_Officialname]

Accident Prevention

One of the most important things you can do to prevent an accident is to be aware of your surroundings. This means being alert to potential hazards and taking steps to avoid them.

Always wear your seat belt when driving. This is one of the most important things you can do to protect yourself in a car accident.

When working with machinery, always use proper safety techniques. This includes wearing your seat belt, using proper lifting techniques, and always using proper safety techniques.

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safety matters

Toolbox Talks for [C_Officialname]

From your safety partners at [B_Officialname]

Adjusting to Your New Work Environment

A new work environment can be a challenge. It's important to take time to get familiar with the new environment and to establish good working relationships with your new colleagues.

Always wear your seat belt when driving. This is one of the most important things you can do to protect yourself in a car accident.

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safety matters

Toolbox Talks for [C_Officialname]

From your safety partners at [B_Officialname]

Common Sense and Safety

Common sense is one of the most important things you can have when it comes to safety. It's the ability to use your common sense to make good decisions about safety.

Always wear your seat belt when driving. This is one of the most important things you can do to protect yourself in a car accident.

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Always wear your seat belt when driving. This is one of the most important things you can do to protect yourself in a car accident.

Loss Control – Employee Workplace Safety Communications

In addition to providing materials for employers, we also provide tools and resources for advancing employee safety awareness to benefit your company's productivity and bottom line. Our resources target specific safety issues and advance employee education on hundreds of topics such as ergonomics, safe work practices and personal safety responsibilities offered in a variety of formats such as:

- Employee newsletters
- *Playing it Safe* flyers and posters
- Safety quizzes
- Bulletin board postings



Playing it Safe Communications

Promoting a Safety-Minded Work Culture

To help promote your safety message to employees, we provide a complete line of *Playing it Safe* flyers and posters including:

- Eliminate Back Pain
- Driver Distractions
- Summer Precautions for Outdoor Workers
- Lockout/Tagout Safety
- Don't Slip Up and Trip Up
- Driver Safety
- Protect Yourself From Eye Injuries
- Preventing Sprains and Strains
- Beating the Summer Heat
- Harvesting Safety
- Back Belts and Injury Prevention
- Safety Meetings & You
- Identity Theft
- Ladder Safety
- Lifting Precautions for Farm Workers
- Return to Work Program
- Machine Guarding
- Workers' Compensation FAQs



And many more!

Loss Control - Business Continuity Planning

With one in four small businesses unable to reopen their doors after a disaster, business contingency planning is a core risk management principle. The purpose of business contingency planning is to define the recovery process developed to restore your critical business functions. We will utilize our expertise in assisting you in developing a plan customized to your business's unique needs. In the planning process, our tools will help you to determine what actions would be necessary to:

- Assess the situation;
- Protect employees, customers, visitors, equipment, vital records and other assets; and
- Get the business back up and running.

Objectives of the Business Continuity Plan

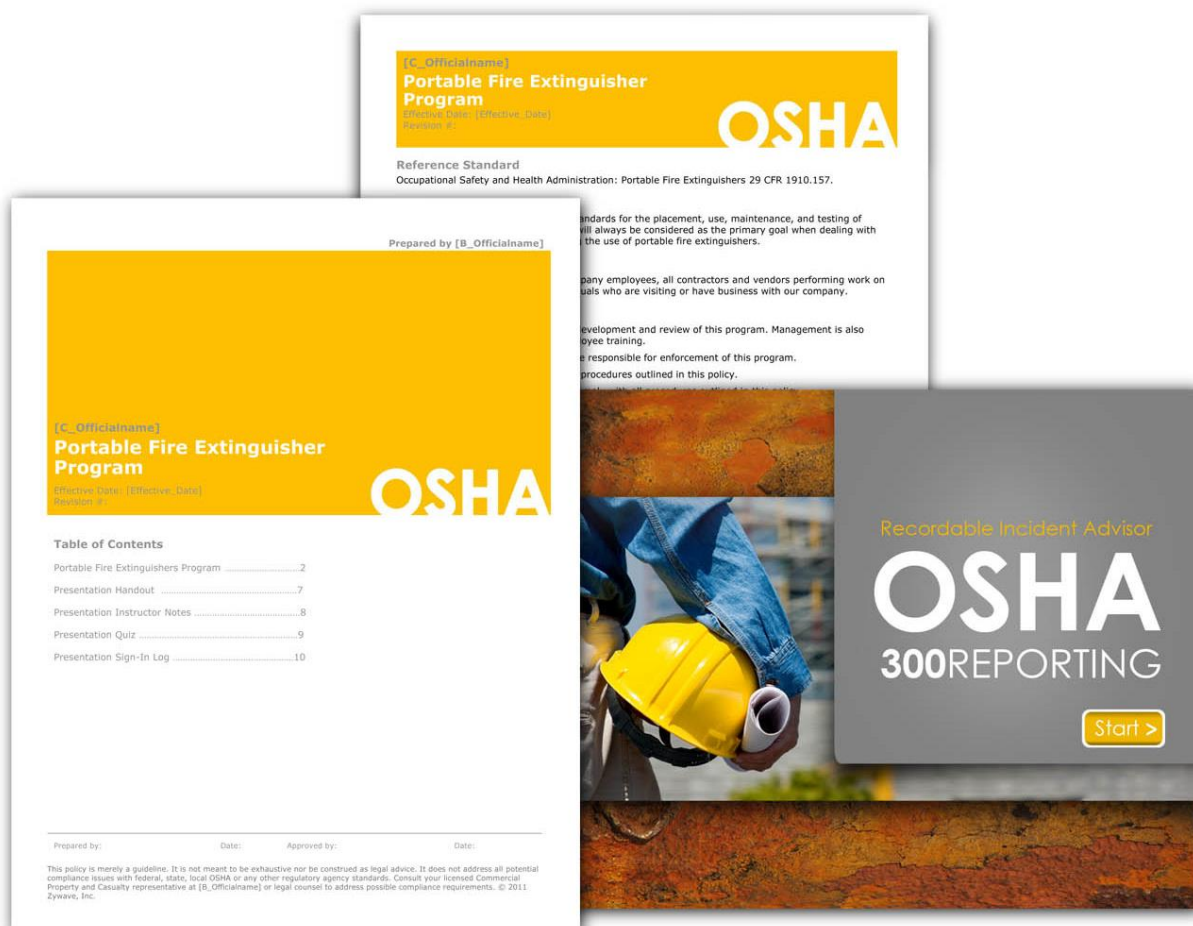
- The plan components will detail Community Maritime Park Association procedures for responding to an emergency situation, which affects Community Maritime Park Association ability to deliver core services to its customers or its ability to meet investors, legal or regulatory requirements. Facilitate timely recovery of core business functions
- Protect the well-being of employees, their families and customers
- Minimize loss of revenue/customers
- Maintain public image and reputation
- Minimize loss of data
- Minimize the critical decisions to be made in a time of crisis



OSHA Compliance

Beck Partners Insurance will help you to meet OSHA program and training requirements with materials geared to your business. Our resources include:

- How to prepare for an OSHA official visit
- Full program planning and training resources, including:
 - Formal programs
 - Training presentations and presenter's notes
 - Employee training handouts and quizzes
 - Sign-in logs for easy recordkeeping compliance



OSHA Reporting and Analysis

Our online resource, streamlines:

- Up-to-the minute recording of OSHA Log incidents
- Incident reporting and analysis
- Drill-down by injury type, body part, groups or divisions, and time period
- Instant calculation of incident rates and comparisons to national averages based on your SIC code, including printing of annual 300A Summary
- Referencing compliance standards

OSHA's Form 300A (Rev. 01/2006)
Summary of Work-Related Injuries and Illnesses

All establishments covered by Part 1904 must complete this Summary page, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing the summary.

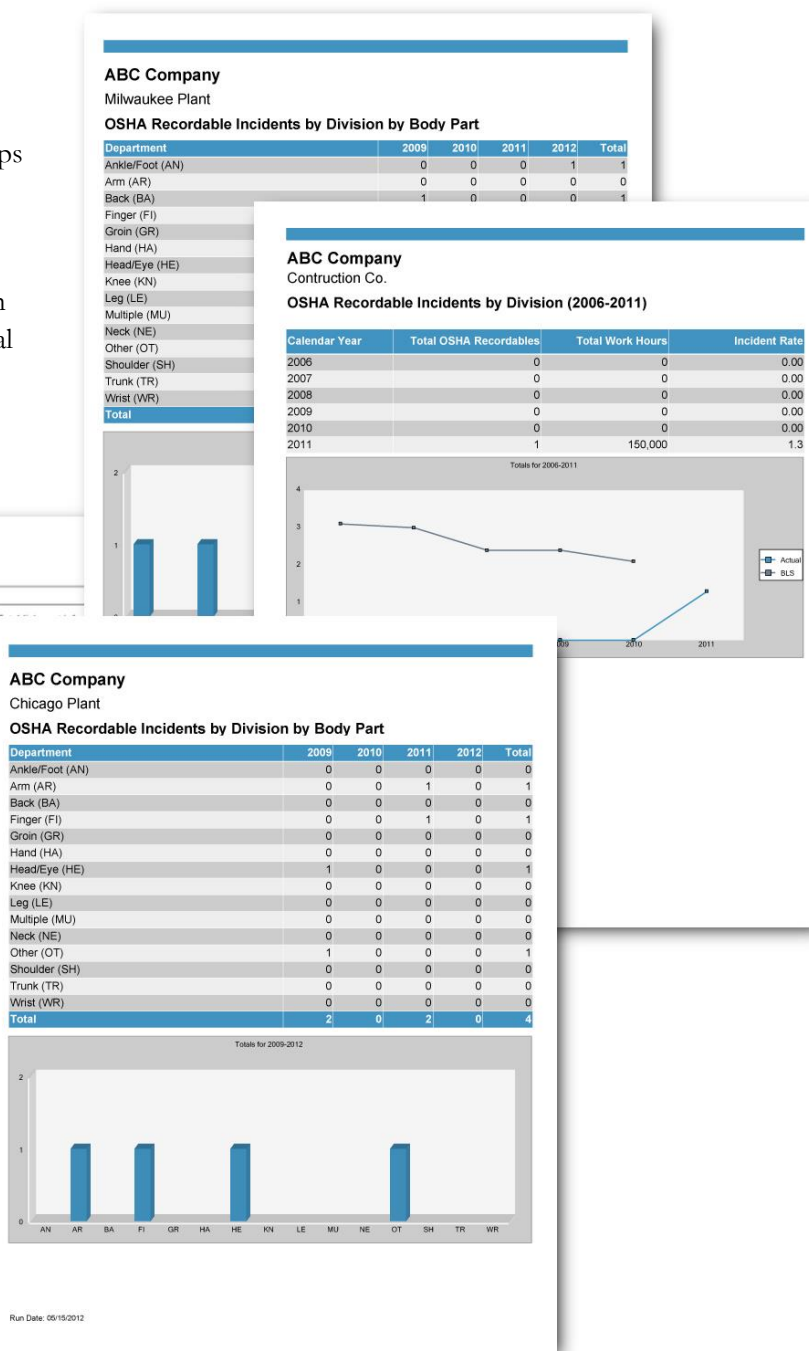
Using the Log, count the individual entries you made in each category. Then write the total below, making sure you've added the entries from every page of the Log. If you have cases under "Other," Employees, former employees and their representatives have the right to review the OSHA 300 in its entirety. They also have limited access to the OSHA Form 300 or its equivalent. See 29 CFR part 1904.36, or OSHA's recordkeeping rule, for further details on the access provisions for these groups.

Number of Cases		Number of Days	
Total number of deaths	Total number of cases with days away from work	Total number of days away from work	Total number of cases with job transfer or restriction
(a)	(b)	(c)	(d)
0	0	0	0

Injury and Illness Types	
Total number of ...	
(e)	(f)
(1) Injuries	0
(2) Skin disorders	0
(3) Respiratory conditions	0
(4) Poisonings	0
(5) Hearing loss	0
(6) All other diseases	0

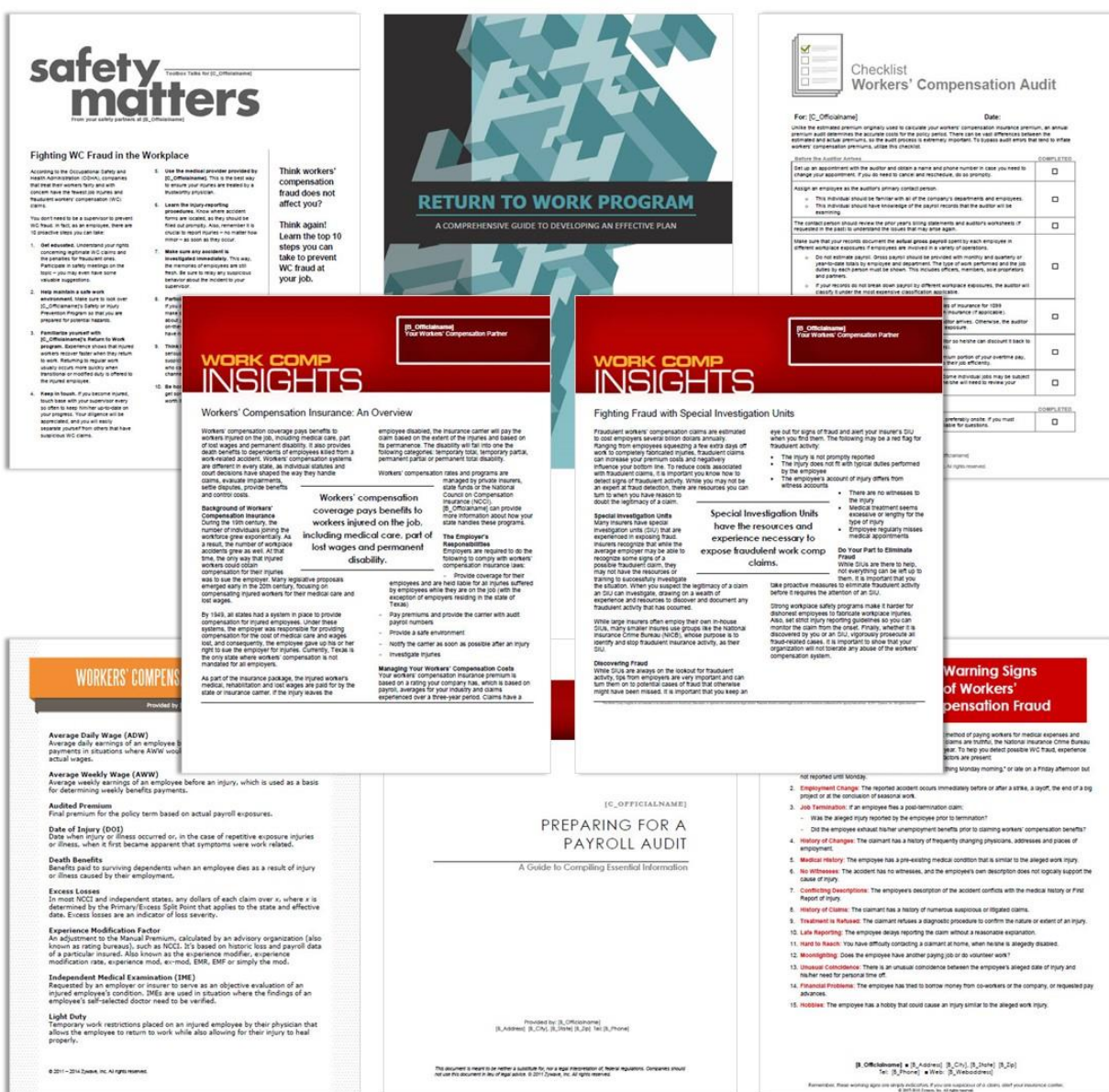
Post this Summary page from February 1 to April 30 of the year following the year covered by the form.

Public reporting burden for this collection is estimated at 60 minutes per response, including time to review the instructions, search existing data sources, gather the data needed, and complete and review the collection of information. Send comments regarding this burden estimate or any other aspect of this data collection, including suggestions for reducing the burden, to Washington, DC 20503-2900, Paperwork Project (0704-0188). Do not send the completed form to this office.



Workers' Compensation

Our Workers' Compensation resources help you to understand what contributes to total claim costs and ways to minimize your risk. From understanding your experience modification factor, or mod, to establishing Return to Work program activities, a sampling of our workers' compensation solutions for frontline managers and employees includes:



Beck Partners Insurance Information Sheet

Beck Partners Insurance

151 W Main St.

Pensacola, FL 32502

Telephone: 850-476-3745

Fax:

Primary Contact:

Reid Rushing

Risk Consultant

Telephone: 850-476-3745

E-mail: rrushing@teambeck.com

This proposal was prepared and submitted by Kristine Rushing on January 10, 2017.

Beck Partners Insurance is a privately held organization and considers all information contained herein to be proprietary.

Signature: _____ [Signature of primary contact/producer]

How Do We Measure Up?

Service	Description	Check here if your current broker offers this service
Insurance Market Access	We provide access to essentially all insurance and administration markets.	
National Affiliations	In addition to our own talented professionals and specialized value-added services, we have a wealth of resources available to us through several national affiliations.	
Strategic Planning	We will develop a customized strategic plan for you that defines objectives and outlines the actions needed to fulfill those objectives. Our services ensure an organized, complete approach to fulfilling your risk management needs.	
Five-Star Service	We pride ourselves on the level of knowledge and service we bring to our clients. All of our clients are assigned a team of specialists dedicated to serving their needs. Each client accesses our team through a single point of contact, making working with us seamless and easy.	
Experience	We have a proven track record of dedication and commitment to excellence in our service to the business community.	
Technology	We use leading-edge technology to provide our customers with the latest data analysis and compliance tools.	
Workers' Comp Mod Evaluation	Our ModMaster® tool helps us pinpoint the cost drivers of your workers' compensation premiums and claims, and identify loss control solutions to save you money. We can also forecast how payroll or loss trends will affect your costs in the future.	
Client Portal	All of our clients receive access to a personalized website. The site is devoted to helping you with cost containment and safety programs, OSHA compliance, claims reporting, employee communication and more!	
OSHA Compliance	All of our P&C clients have access to an online tool used to create accurate OSHA logs and reports on demand. We also provide timely and relevant legislative updates when changes are made at the federal level.	
Online Services	Awesome Agency provides 24/7 reporting services. Reporting claims, adding or deleting drivers and vehicles, or requesting a certificate of insurance is as easy as sending an email.	
Custom Communication	With an extensive library of cost containment and loss control tools, we provide a broad range of communications, including ready-to-use employee newsletters, posters and payroll stuffers.	
Resources	From asbestos to welding safety to workers' comp statutes, our client portal Resource links offer your clients quick access to a wide variety of industry-related references.	
Client Portal Community	When partnering with us, you gain access to professionals from all over the country through the Community section of your client portal. An answer to a problem you have is just an e-mail away.	



VINCE J. WHIBBS SR. COMMUNITY

MaritimePark
PENSACOLA, FL

MEMORANDUM

TO: CMPA Operations and Audit Committee

THRU: John Merting, Chairman

FROM: Mandy Bills, Executive Assistant

DATE: January 17, 2017

SUBJECT: Item IV – Leased Employees

RECOMMENDATION:

That the CMPA Operations and Audit Committee approve the percentages for leased employees from the City of Pensacola (“City”).

BACKGROUND:

New Market Tax Credit (NMTC) compliance requirements obligate the CMPA to maintain a minimum of 1.75 leased employees throughout the compliance period as required under the Florida NMTC statute. In May 2010 the City and the CMPA entered into an Employee Leasing Agreement (“Agreement”) whereby the CMPA leases certain employees from the City. The Agreement states that upon mutual agreement the leased employees may be modified. The City has proposed the following employees be leased by the CMPA at the percentages indicated.

Justin Paul, Special Events Coordinator (Leased Employee Percentage .95)

Job Duties:

1. To supervise the event management of the Community Maritime Park.
2. To book, coordinate, and supervise all Community Events and CMP Rentals.
3. To identify and actively seek out new event opportunities for the park through presentations, business networking and other productive avenues.
4. To work in conjunction with NFPB for any Stadium Events and to identify any partnership opportunities with NFPB to increase park attendance through secondary events.
5. To coordinate and implement the Parking Program.
6. To solicit sponsorships for Community Events.

Tonya Vaden, Marketing Coordinator (Leased Employee Percentage .25)

Job Duties:

1. To promote and advertise the Maritime Park and all Community Events occurring at the Park.
2. To maintain and update the Maritime Park social media sites.
3. To assist with the solicitation of sponsorships and partnerships for Community Events.

Bill Kimball, Parks Superintendent (Leased Employee Percentage .15)

Job Duties:

1. To coordinate and facilitate repairs and maintenance issues occurring outside of the Blue Wahoos Stadium at the Maritime Park.
2. To coordinate and supervise the landscape maintenance activities.
3. To assist as required on all current and future CMPA construction projects at the Maritime Park.

Robbie McGuire, Building Construction and Facilities Manager (Leased Employee Percentage .15) Job Duties:

1. To coordinate and facilitate all maintenance issues as it relates to the Blue Wahoos Stadium that are CMPA's responsibility.
2. To assist as required on all current and future CMPA construction projects at the Maritime Park.

Mandy Bills, Executive Assistant (Leased Employee Percentage .25)

Job Duties:

1. Prepare and distribute Board and Committee meeting notices, agendas and minutes.
2. Staff Board and Committee meetings.
3. Maintain custody of CMPA records and respond to public records requests.
4. Function as the CMPA Accountant in preparing checks for Board members. signatures, compiling quarterly financial statements, preparing the budget and necessary budget adjustments, preparing disbursement requests for construction projects, fulfilling NMTC compliance requirements and nonprofit reporting requirements.

The proposed employee leasing percentages do not significantly change the amount CMPA is currently reimbursing the City for leased employees annually.



VINCE J. WHIBBS SR. COMMUNITY
MaritimePark
PENSACOLA, FL

MEMORANDUM

FOR DISCUSSION

TO: CMPA Operations and Audit Committee

THRU: John Merting, Chairman

FROM: Mandy Bills, Executive Assistant

DATE: January 17, 2017

SUBJECT: Item V – FY 2016 Annual Financial Statement Audit

Highlights of the CMPA annual financial statements for the fiscal year ended September 30, 2016 will be reviewed by CMPA Staff. CMPA's independent auditors, Saltmarsh, Cleaveland and Gund will be present at the CMPA Board of Trustees Meeting on January 18, 2017 to present the Annual Financial Statement Audit and their report issued thereon.

**COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)**

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2016

**COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)**

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2016

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VINCE J. WHIBBS SR. COMMUNITY
MaritimePark[™]
PENSACOLA, FL

December 7, 2016

Mr. James J. Reeves, Chairman
And Board of Trustees
Community Maritime Park Associates, Inc.
Pensacola, Florida

As required by the Community Maritime Park Associates (CMPA) and the City of Pensacola (City), the audited annual financial statements have been prepared and are submitted herein.

The financial statements were compiled by the accounting firm of Warren Averett, LLC, and audited by the independent accounting firm of Saltmarsh, Cleaveland & Gund. Staff from the CMPA and the City were instrumental in preparing the financial statements and related Management's Discussion and Analysis (MD&A). CMPA staff believes that the report is a fair representation of the CMPA's financial position and results of operations as measured by the financial activity of the corporation, that presented data is accurate in all material aspects and that all disclosures necessary to enable the reader to gain maximum understanding of the CMPA's financial affairs have been included.

This report has been presented in accordance with Generally Accepted Accounting Principles (GAAP). These principles require that management provide an overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The staff is dedicated to the stewardship and safeguarding of the CMPA's assets to carry out the obligations of the Maritime Park project. Special thanks to the City of Pensacola and Warren Averett, LLC who contributed to its preparation and to you, the Chairman and Trustees of the CMPA, for your guidance, oversight and management in support of a fiscally sound company.

Respectfully submitted,

Mandy Bills, CPA
Executive Assistant

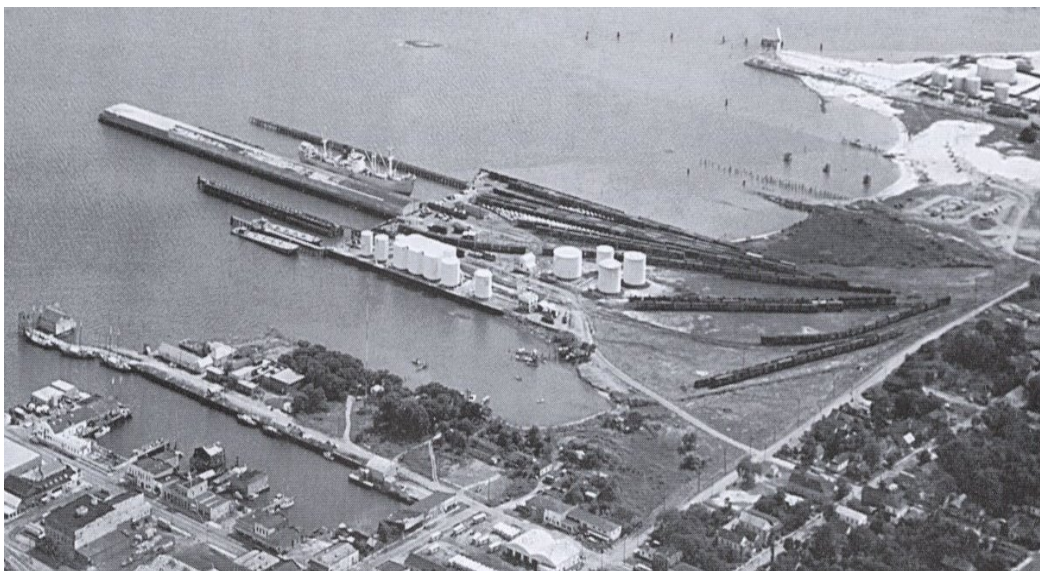
Management's Letter of Transmittal

History and Overview

The Vince Whibbs, Sr. Community Maritime Park is a master planned, public/private, urban renewal project on a former industrial, 32-acre parcel located on Pensacola Bay, in Pensacola, Florida. The property, significant in the city's unequaled 450 years of history, was utilized as the Panton-Leslie trading post as early as 1784. The peninsula saw many expansions and changes in use as the Pensacola waterfront evolved. Last utilized in the 1980's as a petroleum depot and sea-to-rail transfer station, the site sat fallow for over 30 years. The City of Pensacola acquired the property to ensure a public use for the site. The Community Maritime Park project was approved by the Pensacola City Council in 2005 and affirmed, via referendum, in September 2006. Since that time, project professionals have designed, permitted and constructed the elements of the project.



Panton-Leslie Trading Post, located on the Maritime Park property, circa 1850's



Trillium Fuel Depot and Sea/Rail Transfer Station, circa 1960's



Property Pre-Construction

The CMPA, a State of Florida not-for-profit, 501(c)(3) corporation, was created in 2005 to carry out the construction of the public amenities and as the agent to the City for the private improvements. The CMPA, an instrumentality of the City of Pensacola, is governed by a 12 member Board of Trustees, appointed by the Pensacola City Council. CMPA employs an executive assistant and event management staff. The Board meets monthly and holds special meetings as necessary. Currently, the CMPA has three appointed sub-committees to carry out specific aspects of the Maritime Park Project: the Design Development Committee, focusing on project design; the Operations and Audit Committee, focusing on the management and finances of the project; and the Executive Committee focusing on overall issues of the corporation. Development activities are carried out under two contracts between the CMPA and the City of Pensacola, the Master Lease and Master Development Agreement. Both contracts are executed and in full force and effect as of the date of this report.

The Community Maritime Park Conceptual Design was created by Urban Design Associates, Inc., adopted by the Pensacola City Council and ratified by the citizens of Pensacola via referendum in September 2006. The Design Criteria Package, commissioned in 2007, was created by an exceptional team of architects and engineers, including Caldwell Associates Architects, Urban Design Associates, HKS Architects, Sasaki, Inc., Hatch Mott MacDonald, Qore, Inc., and others. The CMPA entered into a development agreement with Maritime Park Development Partners (MPDP) in 2009 to carry out the development of the public and private improvements and a Design-Build contract with Magi Construction, LLC (Magi), a joint venture of MPDP and HOAR Construction, in May 2010 for the actual construction of the public improvements. Also in 2009, the CMPA entered into an agreement with a team lead by Hatch, Mott, McDonald and Morette Construction, to serve as the Owner's Representative for the project. The Owner's Representative provided independent, third party review and approval of all design, bidding, construction and payment on behalf of the CMPA. The Owner's Representative contract was extended in 2011 through the end of construction in April 2012.

Construction of the stadium and related infrastructure was completed in March 2012. Construction of the amphitheater was concluded in June 2012 and the breakwater construction on the southwest corner of the property was completed in October 2015.



Project Under Construction

The public financing necessary to finance the project was secured through the City issuing \$45.6 million in bonds in December 2009. In addition to the bond funding, the CMPA was awarded a federal New Market Tax Credit (NMTC) allocation by a partnership of three Community Development Entities, headed by the Capital Trust Agency (CTA-CDE), of Gulf Breeze Florida. Under the direction of Mr. Ed Gray, Executive Director of CTA-CDE, the allocation was sold and generated an additional \$12 million for the project. Under the NMTC structure, the City of Pensacola was designated as the Disbursing Agent which monitors expenses to budget and controls the funding requests. The Disbursing Agent provides an additional safeguard for project funds. In fiscal year 2014, the Community Development Entities requested that CTA-CDE assume this responsibility in an effort to reduce the associated bank fees. The request was approved and the CTA-CDE became the Disbursing Agent in July 2014.

The CMPA also received private donations going toward the public improvements. The first, \$600,000 from Skip and Martha Ann Hunter was donated for the Amphitheatre project. The second, \$2,250,000 from Quint and Rishy Studer, was donated for the general project. Also, the Community Redevelopment Agency provided a \$500,000 loan to construct the amphitheater back of house addition and a \$210,000 loan to assist in construction of the breakwater and other capital related projects at the Maritime Park. In 2015, the Rotary Club of Pensacola raised over \$600,000 in funds to design and construct the Rotary Centennial Playground at the Maritime Park. The total Maritime Park project budget was approximately \$56 million.

The completed project is an award winning mixed-use development that has re-established a dynamic public waterfront on the western half of Downtown Pensacola. The project features public amenities, including: an expansive public waterfront park; a community multi-use facility suitable for baseball

and other athletic events, festivals, and other community activities; a performing arts amphitheater; promenades; parking and all necessary ancillary uses, including infrastructure and site improvements. Private improvements envisioned for the property include: commercial; office; retail; residential; restaurant; hospitality and entertainment.



Completed Project

Construction Management

The majority of construction and expenditures for the public portion of the Community Maritime Park project took place in 2011 and 2012. The Board, staff, general contractor and Construction Owner's Representative worked diligently to complete the construction on time and within budget despite issues with the Master Developer.

In December 2010 and January 2011, the CMPA voted to terminate the contract with the Master Developer. The CMPA filed suit in Federal Court against MPDP for "fraud in the inducement" and sought repayment of fees and damages. In 2012, the CMPA won Summary Judgment from the U.S. District Courts granting all aspects of the CMPA's complaint against MPDP. Oral arguments were completed in January 2013 to hear evidence and testimony to determine the financial aspects of the case to CMPA. The Court froze disbursement of all profit to MPDP in anticipation of those funds being forfeited to CMPA. Final judgment in CMPA's favor was issued by the Court in February 2014. The funds that were being held by the Court were released to CMPA and returned to the Construction Fund. MPDP appealed the ruling. Hearings on the appeal were held in January, 2015 in Atlanta, Ga and the final judgement in CMPA's favor was upheld.

With the return of the funds to the Construction Fund, CMPA was in a position to re-evaluate the feasibility of completing the last construction element of the Community Maritime Park. In June 2013, the CMPA received a long awaited permit from the United States Army Corps of Engineers to build the breakwater and marina on the southwest corner of the Maritime Park. CMPA had earmarked funds for this project since 2010. Previous bids proved outside of the available budget. In 2014, the CMPA re-bid the project. The bids for the breakwater portion of the project were close enough to the available budget for the CMPA to approach the City's Community Redevelopment Agency (CRA) to provide the gap funding in the form of a loan. The CRA approved a loan of up to \$210,000 in October 2014. The CMPA executed a construction contract for the breakwater in November 2014 and the project was completed in October 2015.

With the completion of the breakwater project in 2015, all NMTC funds have been obligated and the public construction aspect of the Maritime Park project is complete with the exception of the public marina. The CMPA Board is actively seeking funding opportunities in order to construct the marina in the future. Currently, staff and the Board are focused on operations and management as well as private development.

Operations and Maintenance

With the conclusion of the construction of the multi-use facility and amphitheater at the Community Maritime Park in 2012, the CMPA transitioned from a construction management project to an operations and management project. The CMPA entered into agreements for the operations and management aspects of the Maritime Park.

The first, a non-exclusive use agreement, is with Northwest Florida Professional Baseball, LLC (NFPB). This agreement allows NFPB to utilize the stadium for its Double-A Minor League Baseball Team, the Pensacola Blue Wahoos. The Blue Wahoos are the Double A affiliate of the Cincinnati Reds Major League Baseball Team. NFPB is also given non-exclusive rights to schedule other events in the stadium through cooperation with the CMPA. The agreement is for 10 years with two 5 year extension options, for a total of 20 years.

The Blue Wahoos held their inaugural season in the Maritime Park Stadium in 2012 and have drawn more than 300,000 fans each season selling out most Friday and Saturday home games. In 2012, the Blue Wahoos were named the Southern League's "Organization of the Year" and then team president Bruce Baldwin was named "Executive of the Year". The Blue Wahoos again were awarded "Organization of the Year" in 2014 and the Stadium was named "Ball Park of the Year" by Baseballparks.com. In 2015 the Blue Wahoos won the second half South Division Title in the Southern League. In 2016 the Blue Wahoos won both the first and second half Division Title in the Southern League.



Pensacola Blue Wahoos Playing at the Maritime Park Stadium

The second agreement, approved in March 2012 and renewed in March 2015, is with the City of Pensacola to provide park maintenance, landscape services and event and parking management on behalf of the CMPA. Per the agreement the CMPA reimburses the City for actual costs incurred up to a maximum amount of \$200,000 for the park maintenance and landscape services and a maximum amount of \$200,000 for event and parking management services. There is a provision in the agreement that any revenues earned in excess of costs incurred for the event and parking management portion of the agreement be returned to the CMPA to fund capital repairs and maintenance. This arrangement has proved to be beneficial to the CMPA through the return of net profits from event management exceeding \$188,000 over the five year term.

In September 2014, the CMPA entered into a multi-year agreement with the University of West Florida to play a minimum of two years of NCAA Division II football at the Maritime Park Stadium. UWF fielded a football team for the first time in school history in 2016. All home games will be

played at the stadium from September through December annually. Additional years are included, until such time as UWF builds an on-campus stadium. UWF's first home game was played in August 2016 and as a result, the CMPA accrued \$10,006 in concession revenue and \$3,080 in Variable Ticket Surcharges for fiscal year 2016.

Private Development

In August 2012, the first land lease for construction of private development was approved by the CMPA and City of Pensacola. Construction of the private development, Maritime Place, LLC, a 77,000 square foot, \$16,000,000 office building, was completed on time in October 2014. Maritime Place, LLC is owned by Quint and Rishy Studer and is the new home of the Studer Group consulting firm, EmCare, Inc. and a local law firm.

In June, 2013, the second lease for private development was executed. Construction of Maritime One, a 27,000 square foot, \$4,000,000 mixed use building, was completed in October 2015. Maritime One is significant in that it includes a residential component.

Responses to a Request for Proposals to develop the remaining private parcels were received throughout fiscal year 2015 and additional inquiries have been received in fiscal year 2016. Although the inquiries did not culminate into executed lease agreements, it is anticipated that additional proposals to develop the private parcels will be received in fiscal year 2017.

Conclusion

The CMPA's Board of Trustees and staff have worked diligently to complete the Community Maritime Park construction project on time and on budget. The Maritime Park stadium, amphitheatre and surrounding grounds were a major success during the inaugural fiscal year 2012 and have continued to be a popular destination since. The stadium, parks and amphitheatre are now a focal point of community activities. Fiscal year 2016 ended better than anticipated bringing in approximately \$787,600 in use fee, naming rights revenue, variable attendance surcharge and variable ticket surcharge revenues as well as approximately \$35,000 in net profits from the event and parking management contract. The momentum is expected to continue and increase with additional entertainment opportunities and a full schedule of UWF home football games in fiscal year 2017. Private development is also expected to increase the activities and opportunities at the Maritime Park for years to come. The increased level of daily activity and vibrancy has already been experienced with the 200-300 employees located in the office buildings and the first residents living at the Maritime Park.

In October 2016, the Community Maritime Park was awarded the North Florida Urban Land Institute (ULI) Award of Excellence for Open Spaces. The annual Awards for Excellence program is the centerpiece of ULI's efforts in North Florida to identify and promote best practices in all types of real estate development. The Community Maritime Park is the first-ever finalist and award winner from Pensacola and Northwest Florida. The Maritime Park's future success will rely on the continued close supervision by the Board of Trustees, the professionalism of the staff and the expertise of the teams of consultants and advisors working on the project.



VINCE J. WHIBBS SR. COMMUNITY
MaritimeParkTM
PENSACOLA, FL

Community Maritime Park Associates, Inc.

2015-2016 Board of Trustees

Mr. James J. Reeves, Chair
Dr. Jimmy Jones, Vice Chair
Ms. Ann Hill, Secretary
Mr. Fred Gunther, Treasurer

Mrs. Alexis Bolin, Trustee
Mr. Buddy McCormick, Trustee
Mr. John Merting, Trustee
Mr. Lloyd Reshard, Trustee
Col. Jim Smith (ret), Trustee
Mr. Mark Taylor, Trustee
Mrs. Kelly Wieczorek, Trustee

Staff

Mandy Bills, CPA, Executive Assistant
Erik Wortendyke, Special Events Coordinator
Justin Paul, Program Specialist

Legal Counsel

Lisa Minshew, Esquire

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Community Maritime Park Associates, Inc.
Pensacola, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Community Maritime Park Associates, Inc. ("CMPA"), (a component unit of the City of Pensacola, Florida), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise CMPA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of CMPA, as of September 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CMPA's financial statements as a whole. Management's letter of transmittal is presented for purposes of additional analysis and is not a required part of the financial statements. Management's letter of transmittal has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Pensacola, Florida
December 7, 2016

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

This Section contains the following subsections:

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Our discussion and analysis of the Community Maritime Park Associates, Inc.'s (CMPA) financial performance provides an overview of the CMPA's financial activities for the fiscal year ended September 30, 2016. Please read it in conjunction with the CMPA's financial statements which immediately follow this discussion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the CMPA's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The *government-wide financial statements*, which consist of the following two statements, are designed to provide readers with a broad overview of the CMPA's finances, in a manner similar to a private-sector business.

The *statement of net position* presents the CMPA's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CMPA is improving or deteriorating.

The *statement of activities* presents the change in the CMPA's net position during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The CMPA only has one category of funds - governmental funds - and maintains three funds, the General Fund, the Capital Maintenance Special Revenue Fund, and the Construction Capital Project Fund.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the CMPA's near-term financing requirements.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed Government-wide Statement of Net Position. A comparative analysis of government-wide data is presented as follows:

Community Maritime Park Associates, Inc.'s Net Position

	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 1,146,613	\$ 1,186,285
Capital Assets	<u>46,864,374</u>	<u>48,876,378</u>
Total Assets	<u>48,010,987</u>	<u>50,062,663</u>
 Current Liabilities	 1,018,881	 766,839
Long-term Liabilities	<u>54,369,407</u>	<u>54,518,606</u>
Total Liabilities	<u>55,388,288</u>	<u>55,285,445</u>
 Net investment in capital assets	 (7,864,232)	 (5,661,800)
Restricted	612,727	601,935
Unrestricted	<u>(125,341)</u>	<u>(162,917)</u>
Net Position	<u>\$ (7,377,301)</u>	<u>\$ (5,222,782)</u>

During 2010, the CMPA received proceeds from six notes payable, which were used to finance the construction of the Vince Whibbs, Sr. Community Maritime Park ("Park"). Generally accepted accounting principles applicable to governments requires the government's capital asset activity to be presented as a component of net position, net of related debt. At fiscal year end, the CMPA's investment in capital assets totals approximately \$46.9 million, and was financed primarily by the proceeds of debt.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Community Maritime Park Associates, Inc.'s Changes in Net Position

	<u>2016</u>	<u>2015</u>
Revenues:		
Community Redevelopment Agency funding	\$ 1,894,745	\$ 1,894,745
Private donations	142,996	603,550
Intergovernmental	123,558	257,000
User and other fee based income	822,633	788,177
Miscellaneous	<u>1,374</u>	<u>605</u>
	2,985,306	3,544,077
 Expenses	 <u>5,139,825</u>	 <u>5,141,641</u>
 Change in Net Position	 (2,154,519)	 (1,597,564)
Net Position, beginning of year	<u>(5,222,782)</u>	<u>(3,625,218)</u>
Net Position, end of year	<u>\$ (7,377,301)</u>	<u>\$ (5,222,782)</u>

Total revenues decreased approximately \$559,000 over fiscal year 2015 due primarily to the fiscal year 2015 impact of the playground donated by the Rotary Club of Pensacola at a value of approximately \$603,000.

Expenses remained consistent with no significant changes in park operations during the year.

FINANCIAL ANALYSIS OF THE CMPA'S GOVERNMENTAL FUNDS

As of the end of fiscal year 2016, the CMPA's governmental funds reported an ending fund balance of approximately \$666,000, an increase of approximately \$53,000. The increase was primarily attributed to debt proceeds received from the Community Redevelopment Agency to assist with the remaining capital outlay expenditures including the breakwater project and outfield fence relocation project.

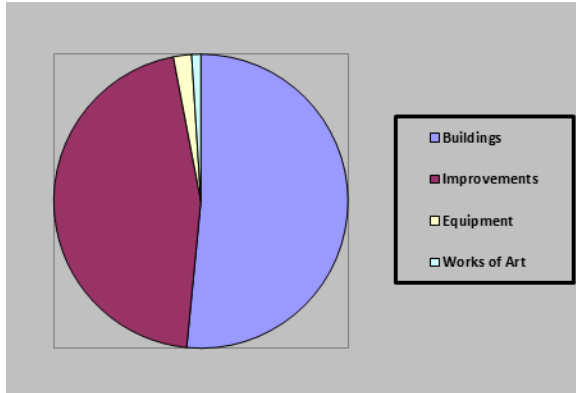
GENERAL FUND BUDGET

The CMPA adopts a budget which is used for internal monitoring purposes; however, it is not considered a "legal budget" for Florida compliance purposes.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION

The CMPA's investment in capital assets as of September 30, 2016, amounts to \$46,864,374, which consists entirely of the Park including buildings, improvements, equipment, and a statue donated in fiscal year 2016 classified as a work of art.



During the fiscal year ended September 30, 2016, the CMPA made interest only payments related to the debt used to finance the project. The debt requires payments of interest only (at rates ranging from .50160% to 4.641%) through May 2017. Beginning July 1, 2017, principal and interest are payable monthly through maturity in May 2040.

During the fiscal year ended September 30, 2016, the CMPA continued making principal and interest payments on a note payable to the City's Community Development Agency ("CRA") for the Hunter Amphitheater back of the house loan which is payable over 20 years at a fixed 3% interest rate with an original value of \$486,639 and a remaining balance of \$438,704. Also during the fiscal year, the CMPA received proceeds of \$210,000 from an additional note payable from CRA to assist with costs associated with the breakwater project and outfield fence relocation. This note is payable over 18 years at a fixed 3% interest rate. The debt requires interest only payments through April 2017, at which point, annual principal and semi-annual interest are payable through maturity in April 2033.

ECONOMIC FACTORS

Facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations for the CMPA in fiscal year 2017 include the potential for additional development of the private parcels at the Park. Responses to a Request for Proposals were received throughout fiscal year 2015 and additional inquiries have been received in fiscal year 2016. Although the proposals did not culminate in executed lease agreements, it is anticipated that additional proposals to develop the private parcels will be received in fiscal year 2017.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

During fiscal year 2014, the CMPA entered into a multi-year agreement with the University of West Florida to play a minimum of two years of NCAA Division II football at the Maritime Park Stadium beginning in August 2016. CMPA receives rental fees, a percentage of gross concession revenue and ticket sales surcharges for each home game played. UWF's first home game was played in August 2016 and as a result, the CMPA accrued \$10,006 in concession revenue and \$3,080 in Variable Ticket Surcharges as of September 30, 2016.

REQUESTS FOR INFORMATION

This financial report is designed to present users with a general overview of the CMPA's finances and to demonstrate the CMPA's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City of Pensacola, 222 W. Main Street Pensacola Florida 32502; 850-435-1821. This report is also available at the following web address: www.cityofpensacola.com/260/Community-Maritime-Park-Associates.

BASIC FINANCIAL STATEMENTS

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
FUND BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

Fund Balance Sheet

	General Fund	Capital Maintenance Special Revenue Fund	Construction Capital Project Fund	Total	Adjustments (Note 12)	Statement of Net Position
Assets						
Cash - unrestricted	\$ 11,553	\$ -	\$ -	\$ 11,553	\$ -	\$ 11,553
Cash - restricted	-	508,869	96,654	605,523	-	605,523
Cash - restricted for construction	-	-	5,358	5,358	-	5,358
Accounts receivable-NFPB	359,174	126,736	-	485,910	-	485,910
Due from other governments	-	38,269	-	38,269	-	38,269
Capital assets:						
Works of art	-	-	-	-	77,500	77,500
Depreciable, net	-	-	-	-	46,786,874	46,786,874
Total assets	\$ 370,727	\$ 673,874	\$ 102,012	\$ 1,146,613	46,864,374	48,010,987
Liabilities						
Accounts payable	\$ 43,588	\$ 26,265	\$ -	\$ 69,853	-	69,853
Unearned revenues	95,922	-	-	95,922	-	95,922
Due to City of Pensacola	177,128	137,349	-	314,477	-	314,477
Accrued interest	-	-	-	-	179,430	179,430
Non-current liabilities:						
Due within one year	-	-	-	-	359,199	359,199
Due in more than one year	-	-	-	-	54,369,407	54,369,407
Total liabilities	316,638	163,614	-	480,252	54,908,036	55,388,288
Fund Balance / Net Position						
Fund balance - unassigned	54,089	-	-	54,089		
Fund balance - restricted	-	510,260	102,012	612,272		
Total fund balance	54,089	510,260	102,012	666,361		
Total liabilities and fund balance	\$ 370,727	\$ 673,874	\$ 102,012	\$ 1,146,613		
Net position:						
Net investment in capital assets					(7,864,232)	(7,864,232)
Restricted for capital improvements					612,272	612,272
Unrestricted					(125,341)	(125,341)
Total net position					\$ (7,377,301)	\$ (7,377,301)

The accompanying notes are an integral part of these financial statements.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Statement of Revenues, Expenditures and Changes in Fund Balance

	General Fund	Capital Maintenance Special Revenue Fund	Construction Capital Project Fund	Total	Adjustments (Note 12)	Statement of Activities
Revenues						
Community Redevelopment Agency funding	\$ -	\$ -	\$ 1,894,745	\$ 1,894,745	\$ -	\$ 1,894,745
Private donations	-	-	-	-	142,996	142,996
Intergovernmental	117,058	-	6,500	123,558	-	123,558
User and other fee based income	648,225	174,408	-	822,633	-	822,633
Miscellaneous	286	1,088	-	1,374	-	1,374
Total	<u>765,569</u>	<u>175,496</u>	<u>1,901,245</u>	<u>2,842,310</u>	<u>142,996</u>	<u>2,985,306</u>
Expenditures / Expenses						
General government:						
Bank fees	-	-	11,381	11,381	-	11,381
Depreciation	-	-	-	-	2,247,369	2,247,369
Insurance	130,817	-	-	130,817	-	130,817
Ad valorem tax	103,473	-	-	103,473	-	103,473
Miscellaneous	1,100	-	-	1,100	-	1,100
Payroll	102,293	-	-	102,293	-	102,293
Other contractual services	34,897	-	-	34,897	-	34,897
Professional fees	41,499	-	-	41,499	-	41,499
Repairs and maintenance	46,485	164,605	-	211,090	-	211,090
Utilities	228,891	-	-	228,891	-	228,891
Capital outlay	-	-	92,369	92,369	(92,369)	-
Debt service-						
Principal	19,572	-	-	19,572	(19,572)	-
Interest	13,748	-	2,008,049	2,021,797	5,218	2,027,015
Total	<u>722,775</u>	<u>164,605</u>	<u>2,111,799</u>	<u>2,999,179</u>	<u>2,140,646</u>	<u>5,139,825</u>
Excess (deficiency) of revenues over expenditures	<u>42,794</u>	<u>10,891</u>	<u>(210,554)</u>	<u>(156,869)</u>		
Other Financing Sources						
Debt proceeds	-	-	210,000	210,000	(210,000)	-
Net change in fund balance	42,794	10,891	(554)	53,131		
Changes in net position						<u>(2,154,519)</u>
Fund balance / net position						
Beginning of year	11,295	499,369	102,566	613,230		<u>(5,222,782)</u>
End of year	<u>\$ 54,089</u>	<u>\$ 510,260</u>	<u>\$ 102,012</u>	<u>\$ 666,361</u>		<u>\$ (7,377,301)</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Community Maritime Park Associates, Inc. (the “CMPA”), a non-profit corporation under the provisions of Chapter 617, Florida Statutes, was created in 2005 for the purpose of developing the public and private aspects of the Vince Whibbs, Sr. Community Maritime Park (“Park”). The CMPA is an agency of the City of Pensacola (the “City”), and the City appoints the members of the CMPA’s Board of Trustees. The CMPA meets the criteria of a component unit, and accordingly, will be included in the financial statements of the City.

The CMPA has a Master Lease Agreement (“Master Lease”) and Master Development Agreement (“MDA”) with the City for the CMPA’s lease and development of the City-owned waterfront property located at the 300 block of Main Street.

Basis of Presentation - Basis of Accounting

Because of the CMPA’s relationship with the City, its financial statements are prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 34, which requires the CMPA to present *basic financial statements* which are defined as follows:

The Statement of Net Position and the Statement of Activities report information using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. These statements focus on the CMPA’s activities, as a whole, and report all of the assets, liabilities, revenues, expenses, and gains and losses of the entity.

The Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance report information using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or within sixty days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

GASB Statement No. 34 requires disclosure of the reconciliation adjustments which convert the *fund financial statements* into *government-wide financial statements*. The CMPA has elected to present the respective *fund financial statements* and the *government-wide financial statements* in a combined format containing the reconciliation adjustments.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Governmental Funds

The CMPA has three governmental funds.

General Fund: Used to account for all financial resources, except those required by law or administrative action to be accounted for in another fund. The general fund is always reported as a major fund in the governmental fund statements.

Special Revenue Fund (Capital Maintenance Fund): Used to account for the proceeds of the variable ticket surcharge and proceeds from the event and parking management contract with the City that are restricted for specific purposes of capital maintenance of the Park.

Construction Capital Projects Fund: Used to account for financial resources earmarked or segregated for the acquisition and construction of the Park and other project-oriented activities and the debt service payments during the construction phase.

Restricted Cash

Unspent proceeds of long-term debt (Note 4), project support payments (Note 6), and monies held for capital maintenance and repairs are restricted as their use is limited for development of the Park, debt service, and capital maintenance needs.

Accounts Receivable

Receivables consist of amounts due under the multi-use facility agreement as disclosed in Note 9. Currently, management deems all amounts to be fully collectible and no allowance for doubtful collections is necessary.

Capital Assets

Purchases of capital assets (consisting of the Park project, buildings, improvements, and equipment), are capitalized at cost in the Statement of Net Position but are recorded as capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance. Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Contributed assets are recorded at their estimated fair value at the time of donation. Straight-line depreciation is used based on estimated useful lives of 50 years for buildings, 5-50 years for improvements, and 5-20 years for equipment. Works of art with an inexhaustible useful life are not depreciated.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE - 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Unearned Revenues

Unearned revenues arise when resources have been received but not yet earned. In subsequent periods, when the revenue is earned the liability for deferred revenue is removed and revenue is recognized.

Long-Term Debt

All long-term debt is recorded as liabilities in the government-wide financial statements when incurred. Principal and interest payments are recorded as expenditures in the General Fund or the Construction Capital Projects Fund in the fund financial statements, with a corresponding reduction in the liability in the government-wide financial statements for the amount of the principal payment.

Fund Balance

Fund balances are classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of the fund balances. These classifications are restricted, committed, assigned, and unassigned.

Restricted and Unrestricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the CMPA's policy to use resources restricted under the Construction Fund first, then unrestricted resources as they are needed. Resources restricted for Capital Maintenance are only used with Board approval. Within the unrestricted category, committed resources are used first, then assigned resources, if any, followed by unassigned resources as needed.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding related debt. The restricted portion of net position is restricted for Park development and for future debt service payments.

Revenues

The CMPA's revenues consist primarily of intergovernmental project support payments and miscellaneous appropriations and user fees.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE - 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Budgets

The CMPA adopts a budget which is used for internal monitoring purposes but is not considered a “legal budget” for Florida compliance purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Internal Revenue Service has determined the CMPA to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recorded.

Events Occurring After Reporting Date

The CMPA has evaluated events and transactions that occurred between September 30, 2016 and December 7, 2016, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - CASH DEPOSITS

The CMPA manages its custodial credit risk by maintaining its deposits in financial institutions designated as “Qualified Public Depositories” by the State Treasurer. All deposits were fully insured through a combination of federal depository insurance and participation of the financial institutions in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes (the Florida Security for Public Deposits Act). Accordingly, risk of loss due to bank failure is not considered significant.

At September 30, 2016, the reported amount of the CMPA’s deposits was approximately \$622,000 and the entire balance consisted of deposits with financial institutions.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3 - CAPITAL ASSETS

Changes in capital assets for the year ended September 30, 2016, were as follows:

	Balance October 1, 2015	Increases	Decreases/ Transfers	Balance September 30, 2016
<i>Capital assets not depreciated:</i>				
Construction in progress	\$ 3,010	\$ -	\$ (3,010)	\$ -
Works of art	-	77,500	-	77,500
Total capital assets not depreciated	<u>3,010</u>	<u>77,500</u>	<u>(3,010)</u>	<u>77,500</u>
<i>Capital assets depreciated:</i>				
Buildings	26,500,299	-	-	26,500,299
Improvements	26,346,820	138,217	3,010	26,488,047
Equipment	3,558,958	19,648	-	3,578,606
Total capital assets depreciated	<u>56,406,077</u>	<u>157,865</u>	<u>3,010</u>	<u>56,566,952</u>
<i>Less accumulated depreciation:</i>				
Buildings	1,841,338	530,006	-	2,371,345
Improvements	3,985,479	1,226,021	-	5,211,499
Equipment	1,705,892	491,342	-	2,197,234
Total accumulated depreciation	<u>7,532,709</u>	<u>2,247,369</u>	<u>-</u>	<u>9,780,078</u>
Capital assets depreciated, net	<u>48,873,368</u>	<u>(2,089,504)</u>	<u>3,010</u>	<u>46,786,874</u>
Total capital assets, net	<u>\$ 48,876,378</u>	<u>\$ (2,012,004)</u>	<u>\$ -</u>	<u>\$ 46,864,374</u>

For the year ended September 30, 2016, CMPA recorded \$2,247,369 in depreciation expense.

During 2016, the CMPA recorded donated improvements totaling \$143,000 for additional stadium netting and relocation of the outfield fence contributed by Northwest Florida Professional Baseball, and a statue contributed by the Vince Whibbs family in his honor. The contributed improvements were recorded at fair value based on actual expenses incurred by the donors.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 4 - LONG-TERM DEBT

In order to finance the development and construction of the public improvements of the Park, in December 2009 the City issued \$6,715,000 of Redevelopment Revenue Bonds, Series 2009A and \$38,925,000 of Redevelopment Revenue Bonds, Series 2009B. Approximately \$39.8 million of such proceeds were loaned by the City to CTA Investment Fund, LLC (the "Investor") and combined with other funds of the Investor to make equity investments in three separate community development entities ("CDEs") and take advantage of New Market Tax Credits under Section 45D of the Internal Revenue Code of 1986 ("Code") and Section 288 of the Florida Statutes.

The CDEs made loans to the CMPA on May 27, 2010 totaling \$54,079,902 to finance the public use portion of the Park. The loans all require monthly interest payments effective July 1, 2010 with monthly principal payments starting July 1, 2017 and continuing through final maturity in 2040. The notes may not be prepaid in full or part prior to May 27, 2017, and thereafter the notes may be prepaid in whole but not in part.

The CDE debts outstanding at September 30, 2016 are as follows:

<u>CDE Lender</u>	<u>Loan Description</u>	<u>Rate</u>	<u>Amount</u>
USBCDE Sub-CDE LVI, LLC	USB Note A, Facility A	4.641%	\$ 7,388,161
USBCDE Sub-CDE LVI, LLC	USB Note B, Facility B	.5016%	<u>2,511,839</u>
			<u>9,900,000</u>
CTACDE Sub1, LLC	CTA Note A, Facility A	4.641%	20,604,482
CTACDE Sub1, LLC	CTA Note B, Facility B	.7295%	<u>7,895,518</u>
			<u>28,500,000</u>
CDF Development Sub VI, LLC	CDF Note A, Facility A	4.641%	11,820,983
CDF Development Sub VI, LLC	CDF Note B, Facility B	2.3349%	<u>3,858,919</u>
			<u>15,679,902</u>
			<u>\$ 54,079,902</u>

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 4 - LONG-TERM DEBT (Continued)

Facility A note proceeds were used to pay for all pre-development costs and expenses in connection with the construction project. Facility B note proceeds were used to (a) acquire, rehabilitate and/or construct the improvements, (b) refinance certain existing debt incurred in connection with the project, (c) pay loan costs, (d) fund amounts on deposit in the reserve accounts, and (e) pay interest on the loans. All notes are secured by (a) a mortgage; (b) assignment of construction documents; (c) a security agreement granting the lender a security interest in (i) construction documents and all other contract rights, construction contracts, architectural contracts, management contracts, plans and specifications, engineering reports, licenses, permits and approvals relating to or usable in connection with the construction, use, occupancy, operations, ownership or maintenance of the property; (ii) CMPA property that is now or hereafter on deposit with, in the possession of, under the control of or held by the lender, including cash, deposits, stocks, bonds, treasury obligations, other securities, investment property, financial assets, securities accounts, notes, documents, instruments, certificates of deposit, items, chattel paper, and other property; (iii) the project support payments (Note 6); (iv) construction disbursement account; (v) operating account; (vi) reserve accounts. Private improvements to the Park will not serve as collateral.

In connection with this transaction, the City entered into a “put and call” agreement with U.S. Bancorp Community Development Corporation (“USBCDC”), the owner of 100% of the CTA Investment Fund. In September 2014, USBCDC made a permitted assignment of its interest in the CTA Investment Fund to a USBCDC managed affiliate, Community Maritime, LLC (the “Flip Fund”). The agreement allows the Flip Fund to “put” its interest in the CTA Investment Fund to the City of Pensacola. If the Flip Fund exercises this option, the City will pay a purchase price of \$1,000, plus any transfer or closing costs. In the event the “put” is not exercised, the City can exercise a “call” option to purchase the ownership interest in an amount equal to the fair value of the interest. No amounts have been recorded in these financial statements related to this “put and call” option.

The first opportunity to exercise the “put and call” option will occur in fiscal year 2017. Should this happen, it is possible that the CDE debts will be eliminated in future financial statements. In addition, depending upon the actions of the City, the related capital assets may also be eliminated.

In March 2012, CMPA entered into a promissory note with the Community Redevelopment Agency (“CRA”) of the City of Pensacola to borrow up to \$500,000 to fund additional costs of the Park. The note was modified on September 15, 2013 to combine the total borrowed amount of \$471,931 and accrued unpaid interest of \$14,708, into one note totaling \$486,639 bearing interest fixed at 3% for 20 years. Annual debt service payments are \$33,321 and the loan matures on April 1, 2033.

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 4 - LONG-TERM DEBT (Continued)

In October 2014, CMPA entered into a separate promissory note with the CRA to borrow up to \$210,000 to fund additional costs incurred related to the breakwater project and fence relocation. During the year ended September 30, 2016, the full \$210,000 was utilized by the CMPA. The note bears interest at 3% for 17 years. Annual debt service payments are \$16,124 and the loan matures on April 1, 2033.

NOTE 5 - CHANGES IN LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

The following is a summary of changes in long-term debt for the year ended September 30, 2016:

	Balance October 1, 2015	Additions	Retirements	Balance September 30, 2016
USB Note A	\$ 7,388,161	\$ -	\$ -	\$ 7,388,161
USB Note B	2,511,839	-	-	2,511,839
CTA Note A	20,604,482	-	-	20,604,482
CTA Note B	7,895,518	-	-	7,895,518
CDF Note A	11,820,983	-	-	11,820,983
CDF Note B	3,858,919	-	-	3,858,919
CRA Note - 2012	458,276	-	(19,572)	438,704
CRA Note - 2016	-	210,000	-	210,000
Totals	<u>\$ 54,538,178</u>	<u>\$ 210,000</u>	<u>\$ (19,572)</u>	<u>\$ 54,728,606</u>

The annual debt service requirements to maturity for long-term debt are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2017	\$ 359,199	\$ 1,894,982	\$ 2,254,181
2018	1,396,188	1,991,343	3,387,531
2019	1,461,861	1,947,615	3,409,476
2020	1,530,602	1,883,418	3,414,020
2021	1,602,614	1,825,619	3,428,233
2022 - 2026	9,217,645	8,160,965	17,378,610
2027 - 2031	11,602,288	6,247,241	17,849,529
2032 - 2036	14,449,335	3,845,282	18,294,617
2037 - 2041	13,108,874	955,029	14,063,903
Totals	<u>\$ 54,728,606</u>	<u>\$28,751,494</u>	<u>\$ 83,480,100</u>

COMMUNITY MARITIME PARK ASSOCIATES, INC.
(A COMPONENT UNIT OF THE CITY OF PENSACOLA, FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 6 - PROJECT SUPPORT PAYMENTS

CMPA, along with the City and the CRA, entered into an interlocal agreement whereby the CRA agreed to remit CRA tax increment financing (project support payments) to CMPA to be used for debt service payments. For the year ended September 30, 2016, CMPA recognized revenue of \$1,894,745 from the CRA.

Future annual project support payments to be remitted by the CRA are as follows:

Fiscal Year Ending
September 30,

2017	\$ 2,251,662
2018	3,337,560
2019	3,360,497
2020	3,374,047
2021	3,388,240
2022 – 2026	17,178,794
2027 – 2031	17,649,311
2032 – 2036	18,242,452
2037 – 2040	<u>14,122,551</u>
Total	<u>\$ 82,905,114</u>

NOTE 7 - GOVERNMENTAL FUND BALANCES

Fund balance at year end consists of the following:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. There were no non-spendable fund balances as of September 30, 2016.

Remaining fund balances are classified as follows depending on the CMPA's ability to control the spending of these fund balances:

Restricted fund balances can only be used for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or are imposed by law through constitutional provisions or enabling legislation. As of September 30, 2016, the CMPA had restricted fund balance in its Capital Projects Fund, consisting of \$102,012 for future construction and other costs associated with the public improvements for the Park; and \$510,260 in the Special Revenue Fund for capital maintenance of the Park.

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NOTE 7 - GOVERNMENTAL FUND BALANCES (Continued)

Committed fund balances can only be used for specific purposes imposed internally by the CMPA's formal action of highest level of decision making authority. As of September 30, 2016, there were no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which do not meet the more formal criterion to be considered either restricted or committed. As of September 30, 2016, the CMPA had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been restricted, committed, or assigned. As of September 30, 2016, the CMPA had unassigned fund balance in its General Fund, totaling \$54,089.

NOTE 8 - MASTER LEASE AND SUBLEASES

The City has leased property to the CMPA on which to construct, develop, operate and maintain public and private improvements (the Park), including a Community Multi-Use Facility. The term of the lease is for a period of sixty (60) years for \$1 per year. The master lease allows the CMPA to enter into agreements for use and lease of the public improvements. The CMPA also has the right to enter into sub-leases for any components of the private improvements portion of the Park, subject to approval by the City. Sub-leases must be at fair value, and the sub-lease revenues must be paid to the City.

The CMPA has entered into two ground sub-lease agreements for office buildings which provide for annual common area maintenance (CAM) charges relating to the Private Improvements. The combined revenue for the CAM charges for these leases is approximately \$14,000.

NOTE 9 - MULTI-USE FACILITY AGREEMENT

On July 20, 2011, CMPA and Northwest Florida Professional Baseball, LLC ("NFPB"), the owner of the Blue Wahoos "AA" minor league baseball franchise, entered into an agreement for NFPB's use of the baseball stadium at the Park. The term of the agreement is for 10 years, with two optional 5 year renewal periods, and requires NFPB to pay an annual use fee of \$175,000 to CMPA. For the year ended September 30, 2016, CMPA recognized \$175,000 of revenue from the user fee. Since the NFPB pays on a calendar year basis, \$14,584 was recognized as unearned revenue as of September 30, 2016.

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NOTE 9 - MULTI-USE FACILITY AGREEMENT (Continued)

NFPB pays CMPA a variable ticket sales surcharge and a variable attendance surcharge, based on the number and types of tickets sold. The annual minimum variable attendance surcharge is \$125,000 during the first 10 years of the agreement. CMPA is required to maintain a capital maintenance fund from the proceeds of the variable ticket sales surcharge for future repairs and maintenance. For the year ended September 30, 2016, NFPB paid CMPA approximately \$325,000 for the variable attendance surcharge, and \$139,000 for the variable ticket sales surcharge.

The agreement defines rights and obligations between NFPB and CMPA depending upon the nature of events held at the facility. In general, NFPB is entitled to revenue streams related to baseball home games and other NFPB events (excluding parking revenues). Revenues from community events (events promoted and/or staged by CMPA) accrue to the CMPA.

In 2014, long-term and short-term indebtedness totaling approximately \$105,000 owed by CMPA to NFPB was cancelled in exchange for CMPA providing additional office space to NFPB for the time period July 2011 through July 2021. As a result, unearned rent revenues of \$72,562 was recorded on the fund balance sheet/statement of net position for the value of rents to be earned in future periods. The balance of unearned rental revenue as of September 30, 2016 is \$53,213.

In April 2015, NFPB exercised the option to purchase the naming rights to the multi-use facility for a period of 7 years. After payment of costs and expenses associated with the sale of the naming rights, CMPA was entitled to 50% of the revenue generated from the sale which totaled \$787,500. CMPA will receive these funds over the course of 7 years in annual payments of \$112,500. For the year ended September 30, 2016, CMPA recognized \$112,500 within user fee revenues. Since the NFPB pays on a calendar year basis, \$28,125 was recognized as unearned revenue as of September 30, 2016.

NOTE 10 - PARK MANAGEMENT SERVICES AGREEMENT

On March 27, 2012, CMPA and the City entered into an agreement for the City to provide park maintenance and landscaping services. Annually, CMPA pays the City actual costs incurred up to a maximum amount of \$200,000. For the year ended September 30, 2016, CMPA paid the City approximately \$173,000 for these services.

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NOTE 10 - PARK MANAGEMENT SERVICES AGREEMENT (Continued)

In addition, under this contract, the City is responsible for event scheduling and planning, management of outside kiosk sales, rentals, food service and other vendor services, and parking management. The fees charged by the City for these services are reduced by revenues earned by the City. If revenues earned by the City are not sufficient to cover its costs, the maximum amount payable by the CMPA is \$200,000. Furthermore, any revenues earned by the City in excess of its costs are payable to CMPA for deposit in the capital repair and maintenance fund. For the year ended September 30, 2016, the City paid approximately \$35,000 to CMPA under this contract.

NOTE 11 - INTERGOVERNMENTAL APPROPRIATIONS

City Appropriations

The City and the CMPA entered into an agreement in August 2012 for the City to pay \$75,000 to CMPA per fiscal year for the operation of public amenities and public spaces at the Park. The appropriation will end on termination of the Master Lease. For the year ended September 30, 2016, the City paid \$75,000 to CMPA under this agreement.

The City and the CMPA entered into another agreement in September 2013 for the City to pay \$35,000 to CMPA per fiscal year for the operation of public amenities and public spaces at the Park. The appropriation commenced with the adoption of the fiscal year 2015 budget and ends on termination of the Master Lease. For the year ended September 30, 2016, the City paid \$35,000 to CMPA under this agreement.

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NOTE 12 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the balance sheet and the statement of net position:

Fund balance, September 30, 2016	\$ 666,361
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund balance sheet	48,864,374
Long-term debt and accrued interest are not due and payable in the current period and, therefore, are not reported in the fund balance sheet	
Accrued interest	(179,430)
Notes payable	(54,728,606)
Net position, September 30, 2016	<u>\$ (7,377,301)</u>

Explanation of certain differences between the statement of revenues, expenditures, and changes in fund balance and the statement of activities:

Net change in fund balance	\$ 53,131
Issuance of debt is recorded as an other financing source at the fund level; however, in the statement of activities, it is not reported as revenue as it increases liabilities on the statement of net position	(210,000)
Governmental funds report capital outlays as expenditures. However, in the statement of net position the costs of these assets are capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financials but is capitalized in the government-wide statements	92,369
Depreciation is reported in the government-wide statements	(2,247,369)
Capital contributions reported in government-wide statements	142,996
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.	
Change in accrued interest	(5,218)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Current period debt payments	19,572
Change in net position	<u>\$ (2,154,519)</u>

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NOTE 13 - CONTINGENCY

Tax Credit Status

As indicated in Note 4, the financing agreements involved the use of New Market Tax Credits. Accordingly, the CMPA must maintain status as a qualified active low-income community business as defined in Section 45D of the Internal Revenue Code and Chapter 288 of the Florida Statutes.

To induce participation of US Bank National Association (“USB”) and the CDE’s to make qualifying loans to the CMPA, CMPA entered into an indemnification agreement if an event or condition causes or results in a disallowance or recapture of all or any portion of the New Market Tax Credits pursuant to Section 45D of the Code or the Florida New Markets Development Program Act. Should a recapture event occur, the CMPA may have to compensate USB for incurred recapture losses. In the opinion of the CMPA, no recapture events have occurred.

NOTE 14 - RISK MANAGEMENT

The CMPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All necessary insurance policies, including property and general liability insurance, are secured for the CMPA by the City on a reimbursable basis. During the year, the CMPA had no significant reductions in insurance coverage from the prior year. In addition, there have been no settlements that exceeded the CMPA’s insurance coverage in any of the past three fiscal years.