

**PALM HARBOR COMMUNITY  
SERVICES AGENCY, INC.**

**Financial Statements  
and  
Supplementary Information**

**September 30, 2016 and 2015  
(With Independent Auditor's Report Thereon)**

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Table of Contents**

	<b><u>Page</u></b>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 14
Supplementary Information:	
Schedule of Combined Funds - Statement of Financial Position Information	15
Schedule of Combined Funds - Statement of Activities Information	16
Schedule of Fund and Functional Expenses	17



13577 Feather Sound Drive, Suite 400 ■ Clearwater, Florida 33762  
Main: 727.572.1400 ■ Fax: 727.571.1933 ■ www.mhm-pc.com

## **Independent Auditor's Report**

Board of Directors  
Palm Harbor Community Services Agency, Inc.:

We have audited the accompanying financial statements of Palm Harbor Community Services Agency, Inc., which comprise the statements of financial position as of September 30, 2016 and 2015 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

### **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 an opinion on these financial statements based on our audits. We conducted our audits 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Palm Harbor Community Services Agency, Inc. as of September 30, 2016 and 2015 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

MAYER HOFFMAN McCANN P.C.

January 20, 2017  
Clearwater, Florida

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Statements of Financial Position**

**September 30, 2016 and 2015**

<b>Assets</b>	<b>2016</b>	<b>2015</b>
	<u>          </u>	<u>          </u>
Current assets:		
Cash and cash equivalents	\$ 559,530	361,039
Funds held in custody of Pinellas County	220,364	212,905
Other receivables	41,468	13,895
Prepaid expenses	<u>76,377</u>	<u>3,322</u>
Total current assets	897,739	591,161
Cash restricted for long-term purposes	646,764	633,653
Property and equipment, net of accumulated depreciation	3,758,130	3,800,268
Other assets	<u>1,280</u>	<u>20,824</u>
	<u>\$ 5,303,913</u>	<u>5,045,906</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 219,031	165,090
Capital lease obligation, current portion	-	1,106
Deferred revenue - deposits	<u>49,503</u>	<u>37,915</u>
Total current liabilities	268,534	204,111
Net assets:		
Unrestricted:		
Undesignated	574,041	376,716
Board designated for long-term purposes	646,764	633,653
Net investment in property and equipment	<u>3,758,130</u>	<u>3,800,268</u>
	4,978,935	4,810,637
Temporarily restricted	<u>56,444</u>	<u>31,158</u>
Total net assets	<u>5,035,379</u>	<u>4,841,795</u>
	<u>\$ 5,303,913</u>	<u>5,045,906</u>

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Statement of Activities**

**Year Ended September 30, 2016  
(With Comparative Totals for 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2016</u>	<u>2015</u>
Support and revenue:				
Pinellas County	\$ 2,940,320	-	2,940,320	2,767,120
Pinellas Public Library Cooperative	371,142	-	371,142	328,815
Other grant funding	19,990	-	19,990	-
Program and event fees	260,951	-	260,951	266,050
Facility rental fees	231,615	-	231,615	222,090
Contributions	55,038	39,318	94,356	98,476
In-kind contributions	388,019	-	388,019	388,993
Fines and other fees	71,420	-	71,420	75,373
Miscellaneous revenue	25,347	4,756	30,103	28,581
	<u>4,363,842</u>	<u>44,074</u>	<u>4,407,916</u>	<u>4,175,498</u>
Net assets released from restrictions:				
Satisfaction of use restrictions	18,788	(18,788)	-	-
	<u>4,382,630</u>	<u>25,286</u>	<u>4,407,916</u>	<u>4,175,498</u>
Total support and revenue				
Expenses:				
Program services	4,157,286	-	4,157,286	4,135,536
Supporting services	81,716	-	81,716	80,412
	<u>4,239,002</u>	<u>-</u>	<u>4,239,002</u>	<u>4,215,948</u>
Total expenses				
Increase (decrease) in net assets before other changes	143,628	25,286	168,914	(40,450)
Other change:				
Gain on disposal of equipment	24,670	-	24,670	-
	<u>168,298</u>	<u>25,286</u>	<u>193,584</u>	<u>(40,450)</u>
Increase (decrease) in net assets				
Net assets at beginning of year	4,810,637	31,158	4,841,795	4,882,245
Net assets at end of year	\$ <u>4,978,935</u>	<u>56,444</u>	<u>5,035,379</u>	<u>4,841,795</u>

See accompanying independent auditor's report and notes to financial statements.

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Statement of Activities**

**Year Ended September 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Pinellas County	\$ 2,767,120	-	2,767,120
Pinellas Public Library Cooperative	328,815	-	328,815
Program and event fees	266,050	-	266,050
Facility rental fees	222,090	-	222,090
Contributions	66,892	31,584	98,476
In-kind contributions	388,993	-	388,993
Fines and other fees	75,373	-	75,373
Miscellaneous revenue	28,581	-	28,581
	<u>4,143,914</u>	<u>31,584</u>	<u>4,175,498</u>
Net assets released from restrictions:			
Satisfaction of use restrictions	18,555	(18,555)	-
	<u>4,162,469</u>	<u>13,029</u>	<u>4,175,498</u>
Total support and revenue			
Expenses:			
Program services	4,135,536	-	4,135,536
Supporting services	80,412	-	80,412
	<u>4,215,948</u>	<u>-</u>	<u>4,215,948</u>
Total expenses			
Increase (decrease) in net assets	(53,479)	13,029	(40,450)
Net assets at beginning of year	<u>4,864,116</u>	<u>18,129</u>	<u>4,882,245</u>
Net assets at end of year	<u>\$ 4,810,637</u>	<u>31,158</u>	<u>4,841,795</u>

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Statement of Functional Expenses**

**Year Ended September 30, 2016  
(With Comparative Totals for 2015)**

	Program Services			Supporting Services	Total	
	Parks and Recreation	Library Services	Total	Management and General	2016	2015
Salaries	\$ 577,917	966,613	1,544,530	33,487	1,578,017	1,510,654
Payroll taxes	48,487	74,633	123,120	2,562	125,682	134,440
Employee benefits	124,229	136,417	260,646	1,994	262,640	216,909
<b>Total salaries and related expenses</b>	<b>750,633</b>	<b>1,177,663</b>	<b>1,928,296</b>	<b>38,043</b>	<b>1,966,339</b>	<b>1,862,003</b>
Advertising	25,834	5,581	31,415	-	31,415	16,637
Collection development	-	109,324	109,324	-	109,324	90,506
Communications	15,671	12,976	28,647	396	29,043	34,794
Office equipment and supplies	28,395	76,376	104,771	566	105,337	66,411
Insurance	60,987	104,785	165,772	4,188	169,960	196,278
Professional fees	860	5,546	6,406	34,271	40,677	46,476
Programs and events	182,772	38,438	221,210	-	221,210	229,257
Repairs and maintenance	438,337	136,967	575,304	-	575,304	568,825
Software license fees	-	57,493	57,493	-	57,493	64,782
Travel	11,955	-	11,955	28	11,983	9,791
Utilities	91,323	48,035	139,358	-	139,358	161,941
In-kind	386,655	1,364	388,019	-	388,019	388,993
Other expenses	9,425	19,812	29,237	4,224	33,461	26,932
<b>Total expenses before depreciation and amortization</b>	<b>2,002,847</b>	<b>1,794,360</b>	<b>3,797,207</b>	<b>81,716</b>	<b>3,878,923</b>	<b>3,763,626</b>
Depreciation and amortization	191,975	168,104	360,079	-	360,079	452,322
<b>Total expenses</b>	<b>\$ 2,194,822</b>	<b>1,962,464</b>	<b>4,157,286</b>	<b>81,716</b>	<b>4,239,002</b>	<b>4,215,948</b>



**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Statement of Functional Expenses**

**Year Ended September 30, 2015**

	Program Services			Supporting Services	Total
	Parks and Recreation	Library Services	Total	Management and General	
Salaries	\$ 546,891	937,349	1,484,240	26,414	1,510,654
Payroll taxes	50,731	81,688	132,419	2,021	134,440
Employee benefits	91,975	121,975	213,950	2,959	216,909
<b>Total salaries and related expenses</b>	<b>689,597</b>	<b>1,141,012</b>	<b>1,830,609</b>	<b>31,394</b>	<b>1,862,003</b>
Advertising	12,510	4,127	16,637	-	16,637
Collection development	-	90,506	90,506	-	90,506
Communications	16,277	18,517	34,794	-	34,794
Office equipment and supplies	29,080	36,763	65,843	568	66,411
Insurance	80,714	110,389	191,103	5,175	196,278
Professional fees	226	7,601	7,827	38,649	46,476
Programs and events	162,419	66,838	229,257	-	229,257
Repairs and maintenance	446,681	122,144	568,825	-	568,825
Software license fees	-	64,782	64,782	-	64,782
Travel	9,625	-	9,625	166	9,791
Utilities	108,451	53,490	161,941	-	161,941
In-kind	386,655	2,338	388,993	-	388,993
Other expenses	5,635	16,837	22,472	4,460	26,932
<b>Total expenses before depreciation and amortization</b>	<b>1,947,870</b>	<b>1,735,344</b>	<b>3,683,214</b>	<b>80,412</b>	<b>3,763,626</b>
Depreciation and amortization	248,247	204,075	452,322	-	452,322
<b>Total expenses</b>	<b>\$ 2,196,117</b>	<b>1,939,419</b>	<b>4,135,536</b>	<b>80,412</b>	<b>4,215,948</b>

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Statements of Cash Flows**

**Years Ended September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 193,584	(40,450)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	360,079	452,322
Gain on disposal of equipment	(24,670)	-
Increase in accounts receivable	(35,032)	(18,257)
Decrease (increase) in prepaid expenses	(73,055)	5,542
Decrease (increase) in other assets	19,544	(19,160)
Increase in accounts payable and accrued expenses	53,941	2,741
Increase (decrease) in deposit liability	11,588	(3,841)
	<u>505,979</u>	<u>378,897</u>
Net cash provided by operating activities	505,979	378,897
Cash flows from investing activities:		
Redemption of certificate of deposit	-	67,381
Proceeds from equipment disposal	24,670	-
Property and equipment purchases	(317,941)	(119,462)
	<u>(293,271)</u>	<u>(52,081)</u>
Net cash used in investing activities	(293,271)	(52,081)
Cash flows from financing activities:		
Principal payments on capital lease obligation	(1,106)	(1,979)
	<u>(1,106)</u>	<u>(1,979)</u>
Net cash used in financing activities	(1,106)	(1,979)
Net increase in cash and cash equivalents	211,602	324,837
Cash and cash equivalents at beginning of year	<u>994,692</u>	<u>669,855</u>
Cash and cash equivalents at end of year	<u>\$ 1,206,294</u>	<u>994,692</u>
Cash paid for interest	<u>\$ 198</u>	<u>327</u>

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Notes to Financial Statements**

**September 30, 2016**

**(1) Description of Organization**

The Palm Harbor Community Services Agency, Inc. ("PHCSA" or the "Agency") is a nonprofit corporation created pursuant to the Florida Corporation Not for Profit Law and Pinellas County ordinance 85-28. The Agency is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code. The primary purpose of the Agency is to administer and operate the business and affairs of the Palm Harbor Community Services District created pursuant to Pinellas County Ordinance No. 85-28 and the East Lake Community Library and Recreation Municipal Services Taxing Units.

PHCSA acts as a custodial agent for the funds of these districts and maintains separate bank accounts for each program. All funds received for and all expenditures made on behalf of each program are deposited into and made solely from these accounts. The programs over which PHCSA acts as the custodian include the following:

- Palm Harbor Parks and Recreation (including The Centre, Palm Field, Pop Stansell Park, Putnam Park, Sunderman Complex, White Chapel and Harbor Hall)
- Palm Harbor Library
- East Lake Community Library
- East Lake Recreation

Responsibility for East Lake Recreation was assumed by PHCSA effective October 1, 2014. Fiscal periods prior to the fiscal year ended September 30, 2015 do not reflect any activity for this program.

**(2) Summary of Significant Accounting Policies**

**(a) Financial Accounting Standards**

The Financial Accounting Standards Board (FASB) issued authoritative guidance establishing two levels of U.S. generally accepted accounting principles (GAAP), authoritative and nonauthoritative, and making the Accounting Standards Codification (ASC) the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the Securities and Exchange Commission. The guidance is incorporated into ASC Topic 105, *Generally Accepted Accounting Principles*.

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(b) Financial Statement Presentation**

PHCSA's financial statements report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted or permanently restricted.

The three classes of net assets are described as follows:

*Unrestricted net assets* consist of net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* consist of net assets subject to donor imposed stipulations that may or will be met, either by actions of the Agency and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently restricted net assets* consist of net assets subject to donor-imposed stipulations that they be maintained permanently by PHCSA. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

**(c) Contributed Services**

Many individuals volunteer their time and perform a variety of tasks that assist PHCSA, but these services do not meet the criteria for recognition as contributed services.

**(d) Property and Equipment**

The Agency capitalizes property and equipment over \$5,000. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

<u>Class</u>	<u>Useful Lives</u>
Land improvements	30 Years
Leasehold improvements	20 - 30 Years
Furniture and equipment	3 - 10 Years
Vehicles	5 Years

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(e) Cash Equivalents**

For purposes of the statement of cash flows, PHCSA considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

**(f) Deferred Revenue**

Deferred revenue consists of deposits made on the rental of White Chapel and Harbor Hall, a special events facility managed by PHCSA.

**(g) Income Taxes**

PHCSA has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. Income earned in furtherance of PHCSA's tax-exempt purpose is exempt from Federal and State income taxes. However, income from certain activities not directly related to the Agency's tax-exempt purpose is subject to taxation as unrelated business income. PHCSA is treated as a publicly supported organization, and not as a private foundation. PHCSA has adopted the provisions of ASC Topic 740, *Accounting for Uncertainty in Income Taxes*, and does not believe it has any material income tax exposure relating to uncertain tax positions. The Agency's income tax filings for periods after the fiscal year ended September 30, 2012 remain subject to examination.

**(h) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(i) Functional Allocation of Expenses**

The costs of providing PHCSA's various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs, such as occupancy and insurance have been allocated among programs and supporting services benefitted.

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Notes to Financial Statements - Continued**

**(3) Property and Equipment**

Property and equipment at September 30, 2016 and 2015 consists of the following:

**September 30, 2016**

	<b>Palm Harbor Parks and Recreation</b>	<b>Palm Harbor Library</b>	<b>East Lake Community Library</b>	<b>East Lake Recreation</b>	<b>Total</b>
Land improvements	\$ 63,299	351,968	-	-	415,267
Leasehold improvements	3,127,021	2,789,554	591,017	178,900	6,686,492
Furniture and equipment	589,930	1,291,036	232,694	-	2,113,660
Vehicles	123,343	-	-	-	123,343
	<u>3,903,593</u>	<u>4,432,558</u>	<u>823,711</u>	<u>178,900</u>	<u>9,338,762</u>
Accumulated depreciation and amortization	<u>(2,223,770)</u>	<u>(3,020,930)</u>	<u>(324,417)</u>	<u>(11,515)</u>	<u>(5,580,632)</u>
	<u>\$ 1,679,823</u>	<u>1,411,628</u>	<u>499,294</u>	<u>167,385</u>	<u>3,758,130</u>

**September 30, 2015**

	<b>Palm Harbor Parks and Recreation</b>	<b>Palm Harbor Library</b>	<b>East Lake Community Library</b>	<b>East Lake Recreation</b>	<b>Total</b>
Land improvements	\$ 63,299	351,968	-	-	415,267
Leasehold improvements	3,107,597	2,789,554	582,639	40,841	6,520,631
Furniture and equipment	509,246	1,270,298	198,737	-	1,978,281
Vehicles	123,343	-	-	-	123,343
	<u>3,803,485</u>	<u>4,411,820</u>	<u>781,376</u>	<u>40,841</u>	<u>9,037,522</u>
Accumulated depreciation and amortization	<u>(2,041,422)</u>	<u>(2,898,751)</u>	<u>(295,192)</u>	<u>(1,889)</u>	<u>(5,237,254)</u>
	<u>\$ 1,762,063</u>	<u>1,513,069</u>	<u>486,184</u>	<u>38,952</u>	<u>3,800,268</u>

Depreciation and amortization expense for the years ended September 30, 2016 and 2015 was \$360,079 and \$452,322.

In July 2016, East Lake Community Library was awarded a \$1 million Library Construction Grant from the State of Florida for expansion of the existing facility. As of September 30, 2016, no costs had been incurred and the full amount of the grant was available to be drawn.

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Notes to Financial Statements - Continued**

**(3) Property and Equipment - Continued**

Leasehold and land improvements include the cost of constructing and renovating certain buildings, parking lots, and recreational facilities. Pinellas County holds legal title to certain land on which these improvements have been made as it relates to Palm Harbor Parks and Recreation, East Lake Library, and Palm Harbor Library. PHCSA also leases certain property from the East Lake Youth Sports Association, Inc. (East Lake Recreation) and a local church (Palm Harbor Parks and Recreation - Palm Field).

**(4) Temporarily Restricted Net Assets**

Temporarily restricted net assets as of September 30, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Palm Harbor Library replacement of building roof	\$ 29,628	22,845
Palm Harbor Library renovation of teen library room	7,277	8,313
Palm Harbor Library Adult and Child media collections	6,115	-
Palm Harbor Library specific programs	8,668	-
East Lake Library capital expansion and renovations	<u>4,756</u>	<u>-</u>
	<u>\$ 56,444</u>	<u>31,158</u>

**(5) Equipment Leases**

PHCSA was obligated under a capital lease for a phone system that expired in fiscal 2016. PHCSA also leases a copier and modular space for its East Lake Community Library location and a copier lease for its Palm Harbor Library location. Rent expense for operating leases for the years ended September 30, 2016 and 2015 was \$13,000 and \$11,900, respectively.

Future minimum lease payments under noncancellable operating leases as of September 30, 2016 are as follows:

<u>Year Ending September 30,</u>	
2017	\$ 13,700
2018	11,600
2019	10,000
2020	2,000
2021	<u>1,200</u>
Total future minimum lease payments	<u>\$ 38,500</u>

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Notes to Financial Statements - Continued**

**(6) Employee Benefit Plan**

PHCSA sponsors a defined contribution plan for the benefit of its full time employees and contributes up to a 3% match on annual wages. Retirement plan expense for the years ended September 30, 2016 and 2015 was approximately \$25,100 and \$21,500, respectively.

**(7) In-Kind Contributions**

For the years ended September 30, 2016 and 2015, in-kind contributions consist of the following:

	<u>2016</u>	<u>2015</u>
Facility usage	\$ 386,655	386,655
Use of copier	1,364	2,338
	<u>\$ 388,019</u>	<u>388,993</u>

**(8) Concentrations**

PHCSA is primarily funded by renewable agreements with the Palm Harbor Community Services District, East Lake Community Library and Recreation Municipal Services Taxing Units and Pinellas County. Pinellas County provides funding for PHCSA's programs through taxes collected in specific districts. The Palm Harbor Library and the East Lake Community Library also receive funding through the Pinellas Public Library Cooperative.

The Agency's cash deposits held by a financial institution are classified as public funds deposits and the financial institution participates in the Florida Security for Public Deposits program as described in Chapter 280, Florida Statutes.

**(9) Subsequent Events**

Management has evaluated subsequent events through January 20, 2017, the date on which the financial statements were available for issuance.



**SUPPLEMENTARY INFORMATION**

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Schedule of Combined Funds - Statement of Financial Position Information**

**September 30, 2016**

<b>Assets</b>	<b>Palm Harbor Parks and Recreation</b>	<b>Palm Harbor Library</b>	<b>East Lake Community Library</b>	<b>East Lake Recreation</b>	<b>Total</b>
Current assets:					
Cash and cash equivalents	\$ 190,638	270,649	35,041	63,202	559,530
Funds held in custody of Pinellas County	65,948	65,942	44,918	43,556	220,364
Other receivables	-	30,711	6,185	4,572	41,468
Prepaid expenses	35,099	22,192	15,667	3,419	76,377
<b>Total current assets</b>	<b>291,685</b>	<b>389,494</b>	<b>101,811</b>	<b>114,749</b>	<b>897,739</b>
Cash restricted for long-term purposes	62,948	174,675	206,275	202,866	646,764
Property and equipment, net of accumulated depreciation	1,679,823	1,411,628	499,294	167,385	3,758,130
Other assets	445	-	835	-	1,280
	<b>\$ 2,034,901</b>	<b>1,975,797</b>	<b>808,215</b>	<b>485,000</b>	<b>5,303,913</b>
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 69,010	98,906	41,292	9,823	219,031
Deferred revenue - deposits	49,503	-	-	-	49,503
<b>Total current liabilities</b>	<b>118,513</b>	<b>98,906</b>	<b>41,292</b>	<b>9,823</b>	<b>268,534</b>
Net assets:					
Unrestricted:					
Undesignated	173,617	238,900	56,598	104,926	574,041
Board-designated for long-term purposes	62,948	174,675	206,275	202,866	646,764
Net investment in property and equipment	1,679,823	1,411,628	499,294	167,385	3,758,130
	<b>1,916,388</b>	<b>1,825,203</b>	<b>762,167</b>	<b>475,177</b>	<b>4,978,935</b>
Temporarily restricted	-	51,688	4,756	-	56,444
<b>Total net assets</b>	<b>1,916,388</b>	<b>1,876,891</b>	<b>766,923</b>	<b>475,177</b>	<b>5,035,379</b>
	<b>\$ 2,034,901</b>	<b>1,975,797</b>	<b>808,215</b>	<b>485,000</b>	<b>5,303,913</b>

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Schedule of Combined Funds - Statement of Activities Information**

**Year Ended September 30, 2016**

	<u>Palm Harbor Parks and Recreation</u>	<u>Palm Harbor Library</u>	<u>East Lake Community Library</u>	<u>East Lake Recreation</u>	<u>Total</u>
Support and revenue:					
Pinellas County	\$ 863,364	863,360	606,914	606,682	2,940,320
Pinellas Public Library Cooperative	-	204,291	166,851	-	371,142
Other Grant Funding	-	19,990	-	-	19,990
Program and event fees	260,951	-	-	-	260,951
Facility rental fees	230,105	1,435	75	-	231,615
Contributions	10,318	49,918	34,120	-	94,356
In-kind contributions	386,655	1,364	-	-	388,019
Fines and other fees	-	49,521	21,899	-	71,420
Miscellaneous revenue	18,531	5,791	5,151	630	30,103
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total support and revenue	1,769,924	1,195,670	835,010	607,312	4,407,916
Expenses:					
Program services	1,825,603	1,229,643	732,821	369,219	4,157,286
Supporting services	31,477	17,917	18,568	13,754	81,716
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	1,857,080	1,247,560	751,389	382,973	4,239,002
Increase (decrease) in net assets before other changes	(87,156)	(51,890)	83,621	224,339	168,914
Other change:					
Gain on disposal of equipment	-	24,670	-	-	24,670
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Increase (decrease) in net assets	(87,156)	(27,220)	83,621	224,339	193,584
Net assets at beginning of year	2,003,544	1,904,111	683,302	250,838	4,841,795
Net assets at end of year	\$ 1,916,388	1,876,891	766,923	475,177	5,035,379

**PALM HARBOR COMMUNITY SERVICES AGENCY, INC.**

**Schedule of Fund and Functional Expenses**

**Year Ended September 30, 2016**

					<b>Total</b>	<b>Program Services</b>		<b>Supporting Services</b>
	<b>Palm Harbor Parks and Recreation</b>	<b>Palm Harbor Library</b>	<b>East Lake Community Library</b>	<b>East Lake Recreation</b>		<b>Parks and Recreation</b>	<b>Library Services</b>	<b>Management and General</b>
Salaries	\$ 534,415	587,098	393,761	62,743	<b>1,578,017</b>	577,917	966,613	33,487
Payroll taxes	45,378	45,433	30,290	4,581	<b>125,682</b>	48,487	74,633	2,562
Benefits	112,251	86,965	50,961	12,463	<b>262,640</b>	124,229	136,417	1,994
<b>Total salaries and related expenses</b>	<b>692,044</b>	<b>719,496</b>	<b>475,012</b>	<b>79,787</b>	<b>1,966,339</b>	<b>750,633</b>	<b>1,177,663</b>	<b>38,043</b>
Advertising	25,834	2,525	3,056	-	<b>31,415</b>	25,834	5,581	-
Collection development	-	51,494	57,830	-	<b>109,324</b>	-	109,324	-
Communications	16,067	11,155	1,821	-	<b>29,043</b>	15,671	12,976	396
Office equipment and supplies	22,854	65,418	11,126	5,939	<b>105,337</b>	28,395	76,376	566
Insurance	58,679	73,828	30,957	6,496	<b>169,960</b>	60,987	104,785	4,188
Professional fees	8,418	11,789	13,071	7,399	<b>40,677</b>	860	5,546	34,271
Programs and events	182,721	24,261	14,177	51	<b>221,210</b>	182,772	38,438	-
Repairs and maintenance	180,831	69,628	67,339	257,506	<b>575,304</b>	438,337	136,967	-
Software license fees	-	33,885	23,608	-	<b>57,493</b>	-	57,493	-
Travel	11,983	-	-	-	<b>11,983</b>	11,955	-	28
Utilities	78,652	31,653	16,382	12,671	<b>139,358</b>	91,323	48,035	-
In-kind	386,655	1,364	-	-	<b>388,019</b>	386,655	1,364	-
Other expenses	9,994	12,185	7,785	3,497	<b>33,461</b>	9,425	19,812	4,224
<b>Total expenses before depreciation and amortization</b>	<b>1,674,732</b>	<b>1,108,681</b>	<b>722,164</b>	<b>373,346</b>	<b>3,878,923</b>	<b>2,002,847</b>	<b>1,794,360</b>	<b>81,716</b>
Depreciation and amortization	182,348	138,879	29,225	9,627	<b>360,079</b>	191,975	168,104	-
<b>Total expenses</b>	<b>\$ 1,857,080</b>	<b>1,247,560</b>	<b>751,389</b>	<b>382,973</b>	<b>4,239,002</b>	<b>2,194,822</b>	<b>1,962,464</b>	<b>81,716</b>

See accompanying independent auditor's report.