

**THE TAMPA BAY HISTORY CENTER, INC.  
AND AFFILIATES**

**Combined Financial Statements  
and  
Supplementary Information**

**September 30, 2016 and 2015  
(With Report of Independent Auditor)**

# THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

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**AUDITED FINANCIAL STATEMENTS**



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## **Report of Independent Auditor**

The Board of Trustees  
The Tampa Bay History Center, Inc.:

We have audited the accompanying combined financial statements of The Tampa Bay History Center, Inc. and Affiliates, which comprise the combined statements of financial position as of September 30, 2016 and 2015, and the related combined statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of The Tampa Bay History Center, Inc. and Affiliates as of September 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the combined 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 combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

MAYER HOFFMAN McCANN P.C.

February 15, 2017  
Clearwater, Florida

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Combined Statements of Financial Position**

**September 30, 2016 and 2015**

<b>Assets</b>	<u><b>2016</b></u>	<u><b>2015</b></u>
Cash and cash equivalents	\$ 1,579,751	137,817
Receivable from Hillsborough County, Florida	170,524	-
Other receivables	39,288	78,270
Prepaid expenses and other	24,972	30,058
Inventory	32,751	36,065
Property and equipment, net	5,487,690	5,834,034
Gifted facilities - land and building use	14,920,455	15,511,364
Capital projects pledges receivable, net	3,376,523	231,172
Other pledges receivable, net	50,696	10,998
Note receivable - new markets tax credit	8,490,250	8,490,250
Deferred financing costs - new markets tax credit, net	76,176	152,351
Cultural endowment program fund	639,030	640,945
Operating endowment fund	11,109,877	10,565,855
	<u><u>\$ 45,997,983</u></u>	<u><u>41,719,179</u></u>
 <b>Liabilities and Net Assets</b> 		
Liabilities:		
Accounts payable	\$ 98,127	45,403
Accrued expenses	192,856	194,238
Lines of credit	278,140	150,000
Long term debt - new markets tax credit	10,000,000	10,000,000
	<u>10,569,123</u>	<u>10,389,641</u>
Net assets:		
Unrestricted	3,934,272	4,468,794
Temporarily restricted	20,417,036	16,785,217
Permanently restricted	11,077,552	10,075,527
	<u>35,428,860</u>	<u>31,329,538</u>
	<u><u>\$ 45,997,983</u></u>	<u><u>41,719,179</u></u>

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Combined Statements of Activities and Changes in Net Assets**

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

	<u>2016</u>	<u>2015</u>
Changes in unrestricted net assets:		
Revenues:		
Government support - Hillsborough County, Florida	\$ 512,352	184,350
Government support - City of Tampa, Florida	72,000	72,000
Admissions	281,219	270,085
Memberships	164,115	176,678
USF Foundation endowment income	106,500	100,770
Contributions and donations	333,109	379,200
Contributions in-kind	37,732	49,120
Investment return	101,361	105,378
Retail sales, net	48,159	43,680
Special event revenue	187,420	178,775
Other income	315,557	317,697
Net assets released from restrictions	1,484,314	1,239,736
	<u>3,643,838</u>	<u>3,117,469</u>
Expenses:		
Program services	2,725,834	2,944,709
Management and general	780,252	806,113
Development	672,274	605,328
	<u>4,178,360</u>	<u>4,356,150</u>
Decrease in unrestricted net assets	<u>(534,522)</u>	<u>(1,238,681)</u>
Changes in temporarily restricted net assets:		
Grants and donations	3,954,866	6,933
Investment return (loss)	1,161,267	(412,693)
Net assets released from restrictions	(1,484,314)	(1,214,736)
	<u>3,631,819</u>	<u>(1,620,496)</u>
Changes in permanently restricted net assets:		
Operating endowment fund contributions	1,002,025	1,667
Provision for uncollectible pledges - release of restrictions	-	(25,000)
	<u>1,002,025</u>	<u>(23,333)</u>
Increase (decrease) in net assets	4,099,322	(2,882,510)
Net assets, beginning of year	<u>31,329,538</u>	<u>34,212,048</u>
Net assets, end of year	<u>\$ 35,428,860</u>	<u>31,329,538</u>

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Combined 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	\$ 4,099,322	(2,882,510)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	929,824	1,245,271
Net realized and unrealized losses (gains) on investments	(1,023,682)	541,928
Noncash rent expense - land and building use	590,909	590,909
Capital projects campaign contributions	(1,065,014)	-
Operating endowment fund contributions	(6,000)	(177,000)
Decrease (increase) in receivable from Hillsborough County, Florida	(170,524)	7,908
Decrease (increase) in other receivables	38,982	(22,538)
Decrease in prepaid expenses and other	5,086	128,904
Decrease in inventory	3,314	1,149
Decrease (increase) in capital projects pledges receivable	(3,145,351)	196,840
Decrease in other pledges receivable	(39,698)	250,333
Increase in accounts payable	52,724	10,838
Increase (decrease) in accrued expenses	(1,382)	13,956
	<u>268,510</u>	<u>(94,012)</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Capital expenditures	(507,305)	(266,248)
Proceeds from sales and maturities of investments	2,649,062	3,193,307
Purchase of investments	(2,167,487)	(2,906,361)
	<u>(25,730)</u>	<u>20,698</u>
Net cash provided by (used in) investing activities		
Cash flows from financing activities:		
Net borrowing (repayment) under line of credit	128,140	(78,000)
Capital projects campaign contributions	1,065,014	-
Operating endowment fund contributions	6,000	177,000
	<u>1,199,154</u>	<u>99,000</u>
Net cash provided by financing activities		
Net increase in cash and cash equivalents	1,441,934	25,686
Cash and cash equivalents at beginning of year	<u>137,817</u>	<u>112,131</u>
Cash and cash equivalents at end of year	\$ <u>1,579,751</u>	\$ <u>137,817</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ <u>174,364</u>	\$ <u>174,109</u>



# THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

## Notes to Combined Financial Statements

September 30, 2016 and 2015

### (1) Description of History Center and Summary of Significant Accounting Policies

#### (a) Description of History Center

The Tampa Bay History Center, Inc. (the “History Center”) was organized for the purpose of establishing facilities for the collection, preservation, display, research, study and interpretation of materials and artifacts relevant to the history of the area; to foster dissemination and understanding of area history through educational and public outreach programs; and to encourage an interest in history through cooperation with historical and cultural organizations and educational institutions.

The Tampa Bay History Center Foundation, Inc. (the “Foundation”) was organized for the purpose of providing support, to receive and to administer funds for The Tampa Bay History Center, Inc. for its charitable and educational operations. In October 2007, the History Center transferred the assets of the operating endowment to the Foundation.

The TBHC Historical Collections Corporation and the TBHC Facility Corporation were organized for the purpose of recognizing the benefits of the New Markets Tax Credit transaction that occurred in July 2011.

The four entities whose financial statements are included in the combined financial statements are collectively referred to as the “Organization.”

#### (b) Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The Financial Accounting Standards Board (FASB) has 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. This guidance is incorporated into ASC Topic 105, *Generally Accepted Accounting Principles*.

#### (c) Contributions Received

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

# THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

## Notes to Combined Financial Statements - Continued

### (1) Description of History Center and Summary of Significant Accounting Policies - Continued

#### (c) Contributions Received - Continued

The Organization uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made.

#### (d) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statement of financial position. Unrealized gains and losses are included in the change in net assets. Restrictions, if any, on investment earnings would be reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which earnings are recognized.

#### (e) Estimates in the Combined Financial Statements

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of increases or decreases in net assets during the period. Actual results could differ from those estimates.

#### (f) Cash and Cash Equivalents

The Organization considers all short-term investments with original maturities of six months or less, at the date of purchase, to be cash equivalents.

#### (g) Collections

The Organization has approximately 80,000 collection items, which are not capitalized due to the cost and practical difficulties inherent in the valuation process. Additions to the Organization's collection are expensed when acquired as permitted by U.S. generally accepted accounting principles. Collection items will be protected, cared for, and preserved for the purposes for which donated.

#### (h) Property and Equipment

Property and equipment are stated at cost. The Organization capitalizes property and equipment with a cost in excess of \$500. Lesser amounts are recorded as expense. Depreciation is provided using the straight-line method based on estimated useful lives of the assets. Useful lives range from 3 to 15 years. Amortization of leasehold improvements is provided over the term of the related lease.

# THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

## Notes to Combined Financial Statements - Continued

### (1) Description of History Center and Summary of Significant Accounting Policies - Continued

#### (i) Inventory

Inventory consists of books and gift shop merchandise held for sale in the Organization's gift shop and is stated at the lower of cost (first-in, first-out method) or market.

#### (j) Grant Revenue

Revenues from state and local grants and contracts are recorded based upon the terms of the grantor allotment, which generally provide that revenues are earned when the allowable costs under the specific grant provisions have been incurred. Revenues are subject to audit by the grantor and, if examination results in a disallowance of any expenditure, repayment could be required.

#### (k) Income Taxes

The History Center and its affiliates have been recognized as exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code (the Code). The Foundation has been determined to be a type 1 supporting organization under section 509(a)(3) of the Code. Therefore, no provision for income taxes has been presented in these combined financial statements for these entities.

The Organization has adopted FASB guidance regarding *Uncertainty in Income Taxes* as codified in FASB ASC 740-10. At September 30, 2016, management does not believe it has taken any tax positions that are subject to a significant degree of uncertainty. The Organization's income tax filings are subject to examination by the Internal Revenue Service generally for three years after they were filed. The Organization's income tax filings for years after the fiscal year ended September 30, 2012 remain open for examination.

#### (l) Functional Expenses

Program services include expenses related to the operation of the History Center facility, program development and presentation, curatorial, educational and other similar expenses. Development includes expenses related to fund-raising efforts and membership development activities, including advertising. Expenses not falling within program services or development are classified as management and general. Salaries and related taxes and benefits have been classified based upon the relative percentage of time each employee spent in each functional area. Rent and other occupancy related expenses have been allocated among program services, management and general, and development based upon the percentage of floor space devoted to each such function. Other expenses are separately accounted for and have been classified on a functional basis.

# THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

## Notes to Combined Financial Statements - Continued

### (1) Description of History Center and Summary of Significant Accounting Policies - Continued

#### (m) Gifted Facility

The gifted facility represents the estimated fair rental value of the land and building which the Museum leases from Hillsborough County, Florida. Pursuant to U.S. generally accepted accounting principles, the Organization recognized the fair value of the use of the property as a temporarily restricted contribution in the period in which the contribution was received and as an expense in the periods the land and building are used. The difference between the fair value of the contributed use of the property and the actual lease amount is recognized as an unconditional promise to give, limited to the fair value of the land and building at the time of the contribution. The fair rental value of the gifted facility is recognized as rent expense over the term of the lease.

#### (n) Contributions In-Kind

Contributions of goods or services are recognized as contributions in-kind if the goods or services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing such skills, and would have to be purchased if not provided by donation. Other types of contributed or volunteer services are not recognized as revenue.

#### (o) Advertising Costs

The Organization expenses advertising costs as incurred except for the cost of purchased future advertising which is amortized over the future periods as published. Advertising expense for the years ended September 30, 2016 and 2015 was \$128,777 and \$149,613, respectively.

#### (p) Fair Value Measurements

The Organization has adopted FASB guidance relating to *Fair Value Measurement* which requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices that are observable for the assets or liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3). The carrying amount reported in the combined statement of financial position for cash, grants receivable, accounts payable, and the lines of credit approximate fair value because of the immediate or short-term maturities of these financial instruments.

#### (q) Reclassifications

Certain amounts in the 2015 combined financial statements have been reclassified for comparative purposes to conform with the presentation in the 2016 combined financial statements.

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(2) Other Pledges Receivable**

The following schedule presents when other pledges receivable at September 30, 2016 and 2015 are due:

	<u>2016</u>	<u>2015</u>
Due within one year	\$ 14,998	237,998
Due years two through five	20,000	-
More than five years	<u>20,000</u>	<u>-</u>
 Total pledges receivable	 54,998	 237,998
 Less discount on pledges due after one year	 (4,302)	 -
Less allowance for uncollectible pledges	<u>-</u>	<u>(227,000)</u>
 Net pledges receivable	 <u>\$ 50,696</u>	 <u>10,998</u>

The amounts presented above include a pledge balance of \$9,998 and \$10,998, at September 30, 2016 and 2015, respectively, from a donor for the purpose of funding the Organization's Operating Endowment. Contributions to the Operating Endowment are considered to be permanently restricted. Other pledges receivable due in years two through five, and thereafter, are discounted to present value using a discount rate of 2.6%.

**(3) Capital Projects Pledges Receivable**

The following schedule presents when pledges receivable at September 30, 2016 and 2015 are due:

	<u>2016</u>	<u>2015</u>
Due within one year	\$ 2,651,100	200,760
Due years two through five	759,000	170,000
More than five years	<u>20,000</u>	<u>-</u>
 Total pledges receivable	 3,430,100	 370,760
 Less discount on pledges due after one year	 (53,577)	 (18,828)
Less allowance for uncollectible pledges	<u>-</u>	<u>(120,760)</u>
 Net pledges receivable	 <u>\$ 3,376,523</u>	 <u>231,172</u>

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(3) Capital Projects Pledges Receivable - Continued**

The amounts presented in the preceding table represent pledges by donors for the purpose of raising funds for construction-related costs in connection with the Organization's facility. Contributions to the capital projects campaign are considered to be temporarily restricted. As expenditures for capital projects are incurred, the restrictions on these contributions will be met and therefore the outstanding pledges and related collections will be considered to be available for unrestricted use. Pledges receivable due in years two through five, and thereafter, are discounted to present value using discount rates ranging from 1.8% to 5%.

At September 30, 2016 and 2015, cash and cash equivalents includes approximately \$543,000 and \$2,000, respectively, of capital projects contributions.

**(4) Investments**

At September 30, 2016 and 2015, the cost and market value of the Organization's investments were as follows:

	2016		2015	
	Cost	Market	Cost	Market
Cultural Endowment Program Fund:				
Cash equivalent and money				
market investments	\$ 12,649	12,649	8,051	8,051
Corporate bonds	250,481	252,546	242,035	238,452
Government bonds	379,064	373,835	399,825	394,442
	642,194	639,030	649,911	640,945
Operating Endowment Fund:				
Cash equivalent and money				
market investments	746,014	746,014	824,945	824,945
Mutual funds	3,954,590	3,961,382	4,011,655	3,755,750
Common and preferred stocks	4,954,831	6,402,481	5,104,379	5,985,160
	9,655,435	11,109,877	9,940,979	10,565,855
	\$ 10,297,629	11,748,907	10,590,890	11,206,800

Investments include amounts which have been permanently restricted by donors for endowment purposes.

None of the Organization's investments in corporate bonds or common and preferred stocks are concentrated in a specific company or industry.

Investment management fees for the years ended September 30, 2016 and 2015 were \$88,111 and \$96,129, respectively.

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(4) Investments - Continued**

The Organization has entered into an agreement with the Community Foundation of Tampa Bay, Inc. (“Community Foundation”) pursuant to which the Community Foundation has established the “Tampa Bay History Center Fund” (the “fund”) for the purpose of allowing donors to make contributions to the Community Foundation for the benefit of the Organization. Contributions to the Community Foundation for the benefit of the Organization are not reflected in the Organization’s combined financial statements as the Community Foundation retains the right to re-direct assets held in the fund. As of September 30, 2016, donors had contributed \$166,780 to the fund. The market value of the fund, as reported by the Community Foundation, was approximately \$161,000 and \$156,000 as of September 30, 2016 and 2015, respectively.

The following schedule summarizes investment return for the years ended September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 238,946	234,613
Net realized and unrealized gains (losses)	<u>1,023,682</u>	<u>(541,928)</u>
Total investment return (loss)	<u>\$ 1,262,628</u>	<u>(307,315)</u>

**(5) Property and Equipment**

Property and equipment at September 30, 2016 and 2015 is summarized as follows:

	<u>2016</u>	<u>2015</u>
Furniture and equipment	\$ 720,393	629,988
Computer software	38,022	38,022
Leasehold improvements	6,081,166	5,924,913
Fixtures and equipment	9,348,167	9,290,102
Construction in progress	<u>202,580</u>	<u>-</u>
	16,390,328	15,883,025
Less accumulated depreciation and amortization	<u>(10,902,638)</u>	<u>(10,048,991)</u>
	<u>\$ 5,487,690</u>	<u>5,834,034</u>

Depreciation and amortization expense relating to property and equipment for the years ended September 30, 2016 and 2015 was \$853,649 and \$1,169,096, respectively.

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(6) Gifted Facility**

Gifted facility represents the present value of the fair rental value of a land and building lease which approximates the fair value of the land and building contributed by Hillsborough County, Florida. The land and building in which the Organization operates is leased from Hillsborough County, Florida under a 33 year lease. The lease requires a payment of \$1 during the entire term of the agreement.

Recognition of the fair value of this lease and related rental expense for the years ended September 30, 2016 and 2015 are summarized as follows:

	<u>2016</u>	<u>2015</u>
Balance at beginning of year	\$ 15,511,364	16,102,273
Recognition of rent expense	<u>(590,909)</u>	<u>(590,909)</u>
Balance at end of year	\$ <u>14,920,455</u>	<u>15,511,364</u>

**(7) Lines of Credit**

The Organization has a \$500,000 revolving line of credit payable to a bank. Advances under the line accrue interest at the Bank's prime rate (3.50% at September 30, 2016). The line of credit was renewed in 2016 and matures in 2017. The line of credit is unsecured. At September 30, 2016 and 2015 the balance outstanding under the line of credit was \$110,000 and \$150,000, respectively.

During 2016, the Organization executed a new \$2,000,000 revolving line of credit agreement with the same bank. Advances under the line accrue interest at the Bank's prime rate minus .25% (3.250% at September 30, 2016). The line of credit matures in 2018. The line of credit is secured by all confirmed pledges to the Capital and Operating Campaign Fund (excluding pledges made to the Endowment Fund). At September 30, 2016 the balance outstanding under the line of credit was \$168,140.

**(8) Temporarily Restricted Net Assets**

Temporary restrictions on net assets consisted of the following at September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Exhibits	\$ 115,632	33,738
Contingency Fund	100,000	100,000
Capital campaign contributions	3,597,073	-
Gifted facility - time restriction	14,920,455	15,511,364
Unappropriated investment return	<u>1,683,876</u>	<u>1,140,115</u>
	\$ <u>20,417,036</u>	<u>16,785,217</u>



## THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

### Notes to Combined Financial Statements - Continued

#### (8) Temporarily Restricted Net Assets - Continued

The gifted facility transaction described in Note 6 was considered to be temporarily restricted at its inception and the remaining unamortized balance at September 30, 2016 and 2015 is considered to be subject to a continuing time restriction.

#### (9) Permanently Restricted Net Assets

During the year ended September 30, 2001, the Organization established the Tampa Bay History Center Operating Endowment Fund in order to establish an Operating Endowment to fund the general operations of the Organization. As of September 30, 2016 and 2015, \$9,998 and \$237,998, respectively, represented the outstanding balance of pledges to the Operating Endowment. Contributions by donors to the Operating Endowment are considered to be permanently restricted. There were permanently restricted contributions to the Operating Endowment for the years ended September 30, 2016 and 2015 of \$1,002,025 and \$1,667, respectively.

For the years ended September 30, 2016 and 2015, \$220,202 and \$217,269, respectively, in interest was earned on the Operating Endowment Fund. Fund earnings are considered to be temporarily restricted until appropriated for expenditure.

During the year ended September 30, 1999, the Organization was awarded \$360,000 from a foundation for the sole purpose of providing the matching funds required to secure a matching grant of \$240,000 from the State of Florida Cultural Endowment Program (the State). The matching funds from the State were received during December 2000. Both grants are permanently restricted by the donor and the State of Florida. As permanently restricted contributions, the Organization is required to maintain a minimum balance in the endowment fund assets of \$600,000. At September 30, 2016, cash and cash equivalents includes \$360,000 of permanently restricted cash set aside as matching funds for a new State of Florida Cultural Endowment Program grant the Organization expects to receive in fiscal 2017.

For the years ended September 30, 2016 and 2015, \$16,020 and \$11,609, respectively, in interest was earned on the Cultural Endowment Program Funds. Fund earnings are considered to be temporarily restricted until appropriated for expenditure.

At September 30, 2016 and 2015, total permanently restricted net assets were \$11,077,552 and \$10,075,527, respectively.

#### (10) Fair Value Measurement

The Organization has adopted the provisions of ASC 820, *Fair Value Measurement*, which provides a common definition of fair value, establishes a framework for measuring fair value under U.S. generally accepted accounting principles and requires additional disclosures about fair value.

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(10) Fair Value Measurement - Continued**

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are cash, money market mutual funds, fixed income mutual funds, equity mutual funds and preferred and common stocks.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The types of investments included in Level 2 are corporate and government bonds.

Level 3: Valuation is based on unobservable inputs.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Fair values measured on a recurring basis at September 30, 2016 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income securities:				
Corporate obligations	\$ 252,546	-	252,546	-
U.S. government and agency obligations	373,835	-	373,835	-
Mutual funds:				
Intermediate bond fund	1,643,686	1,643,686	-	-
Short-term bond fund	942,799	942,799	-	-
Emerging markets fund	473,931	473,931	-	-
Global allocation fund	248,642	248,642	-	-
Mid cap equity fund	212,392	212,392	-	-
Large cap equity fund	1,376,011	1,376,011	-	-
REIT index fund	157,516	157,516	-	-
Corporate stock:				
Consumer discretionary	371,331	371,331	-	-
Energy	244,427	244,427	-	-
Financials	727,632	727,632	-	-
Health care	705,597	705,597	-	-
Industrial	813,786	813,786	-	-
Information technology	838,780	838,780	-	-
International	1,445,448	1,445,448	-	-
Materials	24,981	24,981	-	-
Other	136,904	136,904	-	-
Money market funds	758,663	758,663	-	-
	<u>\$ 11,748,907</u>	<u>11,122,526</u>	<u>626,381</u>	<u>-</u>

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(10) Fair Value Measurement - Continued**

Fair values measured on a recurring basis at September 30, 2015 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income securities:				
Corporate obligations	\$ 238,452	-	238,452	-
U.S. government and agency obligations	394,442	-	394,442	-
Mutual funds:				
Intermediate bond fund	1,530,082	1,530,082	-	-
Short-term bond fund	968,955	968,955	-	-
Emerging markets fund	425,949	425,949	-	-
Global allocation fund	238,987	238,987	-	-
Mid cap equity fund	200,990	200,990	-	-
Large cap equity fund	1,316,784	1,316,784	-	-
REIT index fund	131,590	131,590	-	-
Corporate stock:	-			
Consumer discretionary	360,417	360,417	-	-
Energy	223,140	223,140	-	-
Financials	797,049	797,049	-	-
Health care	591,036	591,036	-	-
Industrial	920,008	920,008	-	-
Information technology	630,279	630,279	-	-
International	1,306,000	1,306,000	-	-
Materials	19,767	19,767	-	-
Other	79,877	79,877	-	-
Money market funds	832,996	832,996	-	-
	\$ <u>11,206,800</u>	<u>10,573,906</u>	<u>632,894</u>	<u>-</u>

**(11) Gift Agreement with the University of South Florida Foundation, Inc.**

During the year ended September 30, 2000, the Organization entered into a Gift Agreement with the University of South Florida (the University) and the University of South Florida Foundation, Inc. (the USF Foundation) and also entered into an Affiliation Agreement with the University.

## THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

### Notes to Combined Financial Statements - Continued

#### (11) Gift Agreement with the University of South Florida Foundation, Inc. - Continued

The Affiliation Agreement recognized the many similarities in the mission of the Organization and the University, and more specifically, the USF Libraries Florida Studies Center (formerly known as the USF Resource Center for Florida History and Politics), a division of the University's Library, relative to the history of Florida and the Tampa Bay region. Under the Affiliation Agreement, the Organization and the USF Libraries Florida Studies Center will, among other things, collaborate to:

- Provide for University faculty and graduate students to make use of and contribute to the Organization's resources in collaboration with the Organization.
- Provide for the University's Library to work with the Organization to develop the Organization's artifacts and materials and make them available to scholars and the public, through cataloging and digitization.
- Provide the Organization's staff, researchers and potentially the Organization's members to utilize resources of the University's Library, particularly special collections materials on local and Florida history.
- Mount joint exhibits and conferences.
- Provide for significant educational programs including:
  - Developing educational classroom materials, such as lesson plans, posters, videos, CD-ROMS and other multimedia materials, in the field of Florida and Tampa Bay regional history, and forging links with the local public schools, with a goal of exposing every 4<sup>th</sup> grade student in Hillsborough County, and surrounding counties, to the joint resources of the University and the Organization.
- Initiate a program of history excursions in the area, whereby participants can experience a nearby historic site in the company of trained professionals and/or expert volunteers who can offer perspective and point out interesting aspects and details of the site.
- Conduct an ongoing program of public lectures at the Organization, the University's main and regional campuses, and at other locations on subjects of local history which may be of interest to the general public.
- Explore offering University academic courses in various disciplines, on both a credit and non-credit basis, at the Organization and the University and via distance learning technology.
- Reflect upon the developing nature of the partnership over time, including its potential for change and development.

As a result of the Gift Agreement, private donors contributed \$2,000,001 to the Organization over the period of September 2000 through September 2002. These funds were remitted to the University of South Florida Foundation, Inc. where they have been used to establish the "Tampa Bay History Center Endowment Fund," an academic endowment for teaching, research, and public education programs about Florida and regional history. These gifts qualified for a 100% match from the State of Florida for a total match of \$2,000,001. At September 30, 2016, the total market value of the fund, as reported by the USF Foundation, was \$4,286,479.

# THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

## Notes to Combined Financial Statements - Continued

### (12) Endowment Investment and Spending Policies

Effective July 1, 2012, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) and in accordance with ASC Topic 958-205-45-28, *Classification of Donor Restricted Endowment Funds Subject to UPMIFA*, the Organization classifies investment earnings on endowments as a component of temporarily restricted net assets if not appropriated for expenditure in the period earned. Once investment earnings are appropriated for expenditure, the Organization reclassifies the amount appropriated as a component of unrestricted net assets.

#### *Operating Endowment*

The Board of Trustees, on the advice of legal counsel, has determined that contributions to the Foundation are subject to donor intent and the terms of its governing documents as well as the provisions of FUPMIFA. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation. Under the terms of the Foundation's governing documents, the Board of Trustees has the ability to distribute so much of the original principal of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions not classified as temporarily restricted or permanently restricted are classified as unrestricted net assets for financial statement purposes.

The Foundation has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return growth of 1% over inflation as measured by CPI, spending policy payout and investment fees. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's funds for distribution to the History Center operating budget for a fiscal year. Under the current spending policy, up to 5% of the 3-year average of prior June 30 market values may be distributed annually.

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(12) Endowment Investment and Spending Policies - Continued**

Operating Endowment net asset composition by type of fund as of September 30, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Donor-restricted endowment funds	\$ -	1,631,846	10,117,552	11,749,398
Total funds	<u>\$ -</u>	<u>1,631,846</u>	<u>10,117,552</u>	<u>11,749,398</u>

Changes in Operating Endowment net assets for the year ended September 30, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets at September 30, 2015	\$ -	1,099,170	9,475,527	10,574,697
Contributions and transfers	-	-	642,025	642,025
Investment income, net	-	1,150,182	-	1,150,182
Distributions	<u>-</u>	<u>(617,506)</u>	<u>-</u>	<u>(617,506)</u>
Endowment net assets, at September 30, 2016	<u>\$ -</u>	<u>1,631,846</u>	<u>10,117,552</u>	<u>11,749,398</u>

Operating Endowment net asset composition by type of fund as of September 30, 2015 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Donor-restricted endowment funds	\$ -	1,099,170	9,475,527	10,574,697
Total funds	<u>\$ -</u>	<u>1,099,170</u>	<u>9,475,527</u>	<u>10,574,697</u>

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(12) Endowment Investment and Spending Policies - Continued**

Changes in Operating Endowment net assets for the year ended September 30, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets at September 30, 2014	\$ -	2,133,320	9,498,860	11,632,180
Contributions and transfers	-	-	1,667	1,667
Investment loss, net	-	(449,762)	-	(449,762)
Provision for uncollectible pledges	-	-	(25,000)	(25,000)
Distributions	-	(584,388)	-	(584,388)
Endowment net assets, at September 30, 2015	\$ <u>-</u>	<u>1,099,170</u>	<u>9,475,527</u>	<u>10,574,697</u>

***Cultural Endowment***

The History Center's donors have placed the restriction on investment income or net appreciation resulting from the donor-restricted endowment funds be expended only for operating costs incurred while engaged in programs directly related to cultural activities. The History Center has adopted an investment and spending policy, approved by the Board of Trustees, for endowment assets that meets the requirements set forth in the agreement which require the preservation of the \$960,000 capital value and the use of investment quality fixed income instruments as the primary investment vehicle.

Cultural Endowment net asset composition by type of fund as of September 30, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Donor-restricted endowment funds	\$ -	52,030	960,000	1,012,030
Total funds	\$ <u>-</u>	<u>52,030</u>	<u>960,000</u>	<u>1,012,030</u>

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(12) Endowment Investment and Spending Policies - Continued**

Changes in Cultural Endowment net assets for the year ended September 30, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets at September 30, 2015	\$ -	40,945	600,000	640,945
Contributions and transfers	-	-	360,000	360,000
Investment income, net	-	13,166	-	13,166
Net depreciation	<u>-</u>	<u>(2,081)</u>	<u>-</u>	<u>(2,081)</u>
Endowment net assets, at September 30, 2016	\$ <u>-</u>	<u>52,030</u>	<u>960,000</u>	<u>1,012,030</u>

Cultural Endowment net asset composition by type of fund as of September 30, 2015 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Donor-restricted endowment funds	\$ <u>-</u>	<u>40,945</u>	<u>600,000</u>	<u>640,945</u>
Total funds	\$ <u>-</u>	<u>40,945</u>	<u>600,000</u>	<u>640,945</u>

Changes in Cultural Endowment net assets for the year ended September 30, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets at September 30, 2014	\$ -	29,875	600,000	629,875
Investment income, net	-	40,431	-	40,431
Net depreciation	-	(3,361)	-	(3,361)
Distributions	<u>-</u>	<u>(26,000)</u>	<u>-</u>	<u>(26,000)</u>
Endowment net assets, at September 30, 2015	\$ <u>-</u>	<u>40,945</u>	<u>600,000</u>	<u>640,945</u>



**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Notes to Combined Financial Statements - Continued**

**(13) Florida New Markets Development Program**

During the year ended September 30, 2011 the Organization completed a \$10 million transaction (the "Transaction") under the Florida New Markets Development Program (the "Program") with Stonehenge Community Development, LLC and its affiliates ("Stonehenge"). As part of the transaction, the Organization was required to create two new affiliated entities, the TBHC Facility Corporation ("Facility") and the TBHC Historical Collections Corporation ("Collections"). Facility used a portion of the Program proceeds to purchase the gifted facilities asset held by the Tampa Bay History Center, Inc. The historical collection held by Tampa Bay History Center, Inc. was transferred to Collections as part of the transaction.

The Transaction includes a gross subsidy to the Organization of \$1,509,750 which represents the amount of long-term debt expected to be extinguished and forgiven at the conclusion of the transaction. The Transaction resulted in a note receivable from Stonehenge in the amount of \$8,490,250 and two notes payable to Stonehenge in the total amount of \$10,000,000. The difference between the notes payable and the note receivable of \$1,509,750 represents the gross subsidy to the Organization from participating in the Program. Fees and costs related to the Organization's participation in the program are expected to consume approximately \$800,000 of the gross subsidy.

The note receivable from Stonehenge accrues interest at 1% which is payable quarterly through July 1, 2017. Beginning October 1, 2017, principal and interest will be payable quarterly sufficient to fully amortize the note with the final payment due April 1, 2040.

The two notes payable in the amounts of \$1,509,750 and \$8,490,250 accrue interest at 1.724% which is payable quarterly through April 1, 2017. Beginning July 1, 2017, principal and interest will be payable quarterly sufficient to amortize fully the loans with final payment due July 1, 2041.

The aggregate maturities of long-term notes payable for each of the five years subsequent to September 30, 2016 and thereafter are as follows:

**Year Ending September 30,**

2017	\$	-
2018		339,217
2019		345,111
2020		351,108
2021		357,209
Thereafter		<u>8,607,355</u>
	\$	<u><u>10,000,000</u></u>

THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

Notes to Combined Financial Statements - Continued

(13) **Florida New Markets Development Program - Continued**

The Transaction includes an Investment Fund Call Agreement (“Call Agreement”) whereby the Organization can elect to purchase Stonehenge’s investment in the Transaction. The Organization can exercise the Call Agreement on the 181<sup>st</sup> day following the seventh anniversary of the Transaction. The purchase price of Stonehenge’s interest shall be an amount equal to the greater of (1) the fair market value of the interest as agreed to by Stonehenge and the Organization or, if an amount cannot be agreed upon, the price shall be determined by an independent appraiser, and (2) the aggregate amount owed by Stonehenge on the note receivable. The call price shall be payable by the Organization first by forgiving the principal and interest due on the note receivable and if the purchase amount exceeds that amount, the remaining balance will be payable in cash.

(14) **Contributed Services and Facilities**

Contributions in-kind were \$37,732 and \$49,120 during the years ended September 30, 2016 and 2015, respectively, which consisted primarily of advertising services.

(15) **Lease Commitment**

The Organization leases office equipment under a long term lease classified as an operating lease. Rent expense, including short-term storage and equipment rentals was approximately \$4,600 and \$4,900 for the years ended September 30, 2016 and 2015, respectively. Future minimum rental payments due under these leases are as follows:

<b><u>Year Ending September 30,</u></b>	
2017	\$ 4,400
2018	3,800
2019	3,300
2020	3,300
2021	<u>1,700</u>
	<u>\$ 16,500</u>

(16) **Employee Benefit Plan**

The Organization has adopted a 401(k) salary reduction defined contribution plan for the benefit of its employees. Full-time employees with one year of service are eligible to participate in the plan. Participants may contribute up to the maximum amount allowable by law. All participant contributions, as well as the Organization’s contributions are fully vested at all times. Retirement expense for the years ended September 30, 2016 and 2015 was \$29,476 and \$26,642, respectively.

## THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

### Notes to Combined Financial Statements - Continued

#### (17) Credit and Funding Concentrations

The Organization relies to a significant extent on Hillsborough County and the City of Tampa as sources of funding. During the year ended September 30, 2016, Hillsborough County and the City of Tampa accounted for approximately 16% and 10%, respectively, of total unrestricted revenues (excluding investment return).

During the year ended September 30, 2015, Hillsborough County and the City of Tampa accounted for approximately 10% and 4%, respectively, of total unrestricted revenues (excluding investment return).

During fiscal 2016, contributions from two donors accounted for approximately 82% of total temporarily restricted grants and donations and a contribution from one donor accounted for approximately 100% of permanently restricted operating endowment fund contributions.

At September 30, 2016, pledges due from two donors accounted for approximately 89% of capital projects pledges receivable.

The Organization maintains its primary deposit accounts with several local commercial banks. At September 30, 2016 and 2015 deposits with these banks exceeded federal insurance limits by \$1,082,720 and \$0, respectively. Cash deposits held in brokerage accounts exceeded federal insurance limits by approximately \$230,000 at September 30, 2016. Additional credit concentrations are described in Note 4.

#### (18) Foodservice Agreement

The Organization has an agreement with a local restaurant group (the "Group") to provide foodservice and catering at the History Center. The second amendment to the original agreement signed in 2008 has a term from October 1, 2014 to September 30, 2019. This amendment requires the Group to pay the Organization commissions of 6.5% of gross annual sales up to \$3 million and 8% on sales exceeding \$3 million during each contract year. Commission revenue for the years ended September 30, 2016 and 2015 was \$173,051 and \$120,740, respectively. This amendment also includes provisions wherein the Group will make two improvements to the Organization's property with an estimated cost of at least \$25,000 and \$65,000, respectively. The Organization will repay the Group for each improvement by allowing the Group to retain commissions payable to the Organization in excess of \$100,000 during each contract year. The maximum amount of commissions the Group can retain is \$25,000 for the first improvement and then \$65,000 for the second improvement. In the event the agreement terminates before the Group has been fully repaid for the improvements, the Organization has no remaining liability to the Group for the unpaid amounts.

#### (19) Subsequent Events

The Organization has evaluated subsequent events through February 15, 2017, the date the combined financial statements were available for issuance.

**SUPPLEMENTARY FINANCIAL INFORMATION**

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Combining Statement of Financial Position**

**September 30, 2016**

	<b>The Tampa Bay History Center, Inc.</b>	<b>Bay History Center Foundation, Inc.</b>	<b>TBHC Facility Corporation</b>	<b>Historical Collections Corporation</b>	<b>Eliminations</b>	<b>Combined Total</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 927,744	642,523	9,133	351	-	1,579,751
Receivable from Hillsborough County, Florida	170,524	-	-	-	-	170,524
Other receivables	18,062	-	-	21,226	-	39,288
Interorganizational receivable (payable)	(1,093,513)	(13,000)	52,945	1,053,568	-	-
Prepaid expenses and other	24,972	-	-	-	-	24,972
Inventory	32,751	-	-	-	-	32,751
Property and equipment, net	5,487,690	-	-	-	-	5,487,690
Gifted facilities - land and building use	-	-	14,920,455	-	-	14,920,455
Capital projects pledges receivable, net	3,376,523	-	-	-	-	3,376,523
Other pledges receivable, net	40,698	9,998	-	-	-	50,696
Note receivable - new markets tax credit	-	-	-	8,490,250	-	8,490,250
Deferred financing costs - new markets tax credit, net	19,691	-	56,485	-	-	76,176
Cultural endowment program fund	639,030	-	-	-	-	639,030
Operating endowment fund	-	11,109,877	-	-	-	11,109,877
	<u>\$ 9,644,172</u>	<u>11,749,398</u>	<u>15,039,018</u>	<u>9,565,395</u>	<u>-</u>	<u>45,997,983</u>
<b>Liabilities and Net Assets</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 98,127	-	-	-	-	98,127
Accrued expenses	190,342	-	2,514	-	-	192,856
Lines of credit	278,140	-	-	-	-	278,140
Long term debt - new markets tax credit	-	-	10,000,000	-	-	10,000,000
Total liabilities	<u>566,609</u>	<u>-</u>	<u>10,002,514</u>	<u>-</u>	<u>-</u>	<u>10,569,123</u>
<b>Net assets:</b>						
Unrestricted	4,252,828	-	(323,785)	5,229	-	3,934,272
Temporarily restricted	3,864,735	1,631,846	5,360,289	9,560,166	-	20,417,036
Permanently restricted	960,000	10,117,552	-	-	-	11,077,552
Total net assets	<u>9,077,563</u>	<u>11,749,398</u>	<u>5,036,504</u>	<u>9,565,395</u>	<u>-</u>	<u>35,428,860</u>
	<u>\$ 9,644,172</u>	<u>11,749,398</u>	<u>15,039,018</u>	<u>9,565,395</u>	<u>-</u>	<u>45,997,983</u>

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Combining Statement of Activities and Changes in Net Assets**

**Year Ended September 30, 2016**

	<b>The Tampa Bay History Center, Inc.</b>	<b>The Tampa Bay History Center Foundation, Inc.</b>	<b>TBHC Facility Corporation</b>	<b>TBHC Historical Collections Corporation</b>	<b>Eliminations</b>	<b>Combined Total</b>
Changes in unrestricted net assets:						
Revenues:						
Government support - Hillsborough County, Florida	\$ 512,352	-	-	-	-	512,352
Government support - City of Tampa, Florida	72,000	-	-	-	-	72,000
Admissions	281,219	-	-	-	-	281,219
Memberships	164,115	-	-	-	-	164,115
USF Foundation endowment income	106,500	-	-	-	-	106,500
Contributions and donations	900,615	-	-	-	(567,506)	333,109
Contributions in-kind	37,732	-	-	-	-	37,732
Investment return	9,097	92,264	-	-	-	101,361
Retail sales, net	48,159	-	-	-	-	48,159
Special event revenue	187,420	-	-	-	-	187,420
Other revenue	365,557	-	330,825	84,903	(465,728)	315,557
Net assets released from restrictions	275,899	617,506	590,909	-	-	1,484,314
<b>Total revenues</b>	<b>2,960,665</b>	<b>709,770</b>	<b>921,734</b>	<b>84,903</b>	<b>(1,033,234)</b>	<b>3,643,838</b>
Expenses:						
Program services	2,206,079	-	630,030	-	(110,275)	2,725,834
Management and general	510,253	142,163	284,525	88,489	(245,178)	780,252
Development	740,671	101	41,777	-	(110,275)	672,274
Donations made to others	-	567,506	-	-	(567,506)	-
<b>Total expenses</b>	<b>3,457,003</b>	<b>709,770</b>	<b>956,332</b>	<b>88,489</b>	<b>(1,033,234)</b>	<b>4,178,360</b>
Decrease in unrestricted net assets	(496,338)	-	(34,598)	(3,586)	-	(534,522)
Changes in temporarily restricted net assets:						
Grants and donations	3,954,866	-	-	-	-	3,954,866
Investment return	11,085	1,150,182	-	-	-	1,161,267
Net assets released from restrictions	(275,899)	(617,506)	(590,909)	-	-	(1,484,314)
<b>Increase (decrease) in temporarily restricted net assets</b>	<b>3,690,052</b>	<b>532,676</b>	<b>(590,909)</b>	<b>-</b>	<b>-</b>	<b>3,631,819</b>
Changes in permanently restricted net assets:						
Operating endowment fund contributions	-	1,002,025	-	-	-	1,002,025
Transfer to cultural endowment	360,000	(360,000)	-	-	-	-
<b>Increase in permanently restricted net assets</b>	<b>360,000</b>	<b>642,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,002,025</b>
<b>Increase (decrease) in net assets</b>	<b>3,553,714</b>	<b>1,174,701</b>	<b>(625,507)</b>	<b>(3,586)</b>	<b>-</b>	<b>4,099,322</b>
Net assets, beginning of year	5,523,849	10,574,697	5,662,011	9,568,981	-	31,329,538
Net assets, end of year	\$ 9,077,563	11,749,398	5,036,504	9,565,395	-	35,428,860

**THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES**

**Combined Schedule of Functional Expenses**

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

	Program Services	Supporting Services		Total Expenses	
		Management and General	Development	2016	2015
Salaries and wages	\$ 625,596	222,181	308,808	1,156,585	965,433
Payroll taxes	46,300	16,442	22,855	85,597	72,238
Employee benefits	93,034	33,041	45,923	171,998	149,433
Total salaries and related expenses	764,930	271,664	377,586	1,414,180	1,187,104
Rent - contributed use of land and building	555,454	29,546	5,909	590,909	590,909
Rent - facility and storage	1,442	-	-	1,442	2,368
Rent - furniture and equipment	2,100	1,539	1,027	4,666	5,524
Utilities	183,662	9,769	1,954	195,385	180,943
Insurance	79,539	4,231	846	84,616	98,431
Other occupancy expenses	18,861	1,003	201	20,065	17,317
Design, fabrication and graphic	-	-	5,489	5,489	11,901
Specific program expense	26,075	-	-	26,075	57,734
Education materials & expense	8,995	-	-	8,995	24,777
Advertising and promotion	-	-	128,777	128,777	149,613
Collections supplies and expenses	26,933	-	-	26,933	17,215
Reference books and materials	199	-	-	199	462
MAP Library projects	-	-	-	-	2,217
Publications	-	-	6,404	6,404	8,740
Contract labor	9,269	-	-	9,269	4,565
Development and marketing	-	-	81,088	81,088	79,219
Honorarium and awards	1,000	-	-	1,000	1,000
Website	2,733	-	304	3,037	3,938
Printing	5,401	1,080	4,320	10,801	20,140
Postage	1,770	1,299	865	3,934	8,539
Seminars and conventions	2,988	2,192	1,461	6,641	6,116
Computer hardware and software	12,559	9,209	6,140	27,908	17,596
Travel and entertainment	11,152	8,363	8,364	27,879	7,116
Professional fees and memberships	9,634	3,853	4,029	17,516	18,816
Office supplies	7,432	5,450	3,634	16,516	19,212
Meetings and hospitality	2,576	6,011	8,588	17,175	12,056
Janitorial services	49,651	2,641	528	52,820	57,340
Other general and administrative	4,369	26,280	13,109	43,758	45,042
Provision for uncollectible pledges	-	-	-	-	45,760
Accounting and audit	13,710	15,049	1,828	30,587	31,015
Interest	1,846	172,498	20	174,364	174,109
Investment management fees	4,447	83,617	47	88,111	96,129
Repairs and maintenance	114,677	6,100	1,220	121,997	107,916
Depreciation and amortization	802,430	118,858	8,536	929,824	1,245,271
Total expenses - 2016	\$ 2,725,834	780,252	672,274	4,178,360	
Total expenses - 2015	\$ 2,944,709	806,113	605,328		4,356,150