

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

**Combined Financial Statements  
and  
Supplementary Information**

**September 30, 2017 and 2016  
(With Report of Independent Auditor)**

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

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**AUDITED FINANCIAL STATEMENTS**



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

## **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, 2017 and 2016, 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, 2017 and 2016, 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 21, 2018  
Clearwater, Florida

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

**Combined Statements of Financial Position**

**September 30, 2017 and 2016**

<b>Assets</b>	<u><b>2017</b></u>	<u><b>2016</b></u>
Cash and cash equivalents	\$ 748,766	1,579,751
Grants receivable	133,793	170,524
Other receivables	43,562	39,288
Prepaid expenses and other	36,375	24,972
Inventory	30,403	32,751
Property and equipment, net	8,717,095	5,487,690
Gifted facilities - land and building use	14,329,546	14,920,455
Capital projects pledges receivable, net	2,171,436	3,376,523
Other pledges receivable, net	74,442	50,696
Note receivable - new markets tax credit	-	8,490,250
Deferred financing costs - new markets tax credit, net	-	76,176
Cultural endowment program fund	644,586	639,030
Operating endowment fund	<u>12,428,387</u>	<u>11,109,877</u>
	\$ <u><u>39,358,391</u></u>	<u><u>45,997,983</u></u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 82,804	98,127
Accrued expenses	293,529	192,856
Lines of credit	612,412	278,140
Long term debt - new markets tax credit	<u>-</u>	<u>10,000,000</u>
Total liabilities	<u>988,745</u>	<u>10,569,123</u>
Net assets:		
Unrestricted	8,958,159	3,934,272
Temporarily restricted	18,308,685	20,417,036
Permanently restricted	<u>11,102,802</u>	<u>11,077,552</u>
Total net assets	<u>38,369,646</u>	<u>35,428,860</u>
	\$ <u><u>39,358,391</u></u>	<u><u>45,997,983</u></u>

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

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

**Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Changes in unrestricted net assets:		
Support and revenues:		
Government support - Hillsborough County, Florida	\$ 837,741	512,352
Government support - City of Tampa, Florida	72,000	72,000
Admissions	259,213	281,219
Memberships	200,548	164,115
USF Foundation endowment income	107,250	106,500
Contributions and donations	217,703	333,109
Contributions in-kind	44,152	37,732
Investment return	64,193	101,361
Retail sales, net	39,452	48,159
Special event revenue	219,200	187,420
Gain from termination of New Markets Tax Credit	1,509,750	-
Other income	421,956	315,557
Net assets released from restrictions	<u>5,296,733</u>	<u>1,484,314</u>
Total support and revenues	<u>9,289,891</u>	<u>3,643,838</u>
Expenses:		
Program services	2,743,015	2,725,834
Management and general	760,111	780,252
Development	<u>762,878</u>	<u>672,274</u>
Total expenses	<u>4,266,004</u>	<u>4,178,360</u>
Increase (decrease) in unrestricted net assets	<u>5,023,887</u>	<u>(534,522)</u>
Changes in temporarily restricted net assets:		
Grants and donations	1,976,223	3,954,866
Investment return	1,212,159	1,161,267
Net assets released from restrictions	<u>(5,296,733)</u>	<u>(1,484,314)</u>
Increase (decrease) in temporarily restricted net assets	<u>(2,108,351)</u>	<u>3,631,819</u>
Changes in permanently restricted net assets:		
Operating endowment fund contributions	<u>25,250</u>	<u>1,002,025</u>
Increase in permanently restricted net assets	<u>25,250</u>	<u>1,002,025</u>
Increase in net assets	2,940,786	4,099,322
Net assets, beginning of year	<u>35,428,860</u>	<u>31,329,538</u>
Net assets, end of year	<u>\$ 38,369,646</u>	<u>35,428,860</u>

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

**Combined Statements of Cash Flows**

**Years Ended September 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Increase in net assets	\$ 2,940,786	4,099,322
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	648,222	929,824
Net realized and unrealized gains on investments	(999,869)	(1,023,682)
Noncash rent expense - land and building use	590,909	590,909
Noncash gain from termination of New Markets Tax Credit	(1,509,750)	-
Capital projects campaign contributions	(3,074,347)	(1,065,014)
Operating endowment fund contributions	(28,750)	(6,000)
Decrease (increase) in receivable from Hillsborough County, Florida	36,731	(170,524)
Decrease (increase) in other receivables	(4,274)	38,982
Decrease (increase) in prepaid expenses and other	(11,403)	5,086
Decrease in inventory	2,348	3,314
Decrease (increase) in capital projects pledges receivable	1,205,087	(3,145,351)
Increase in other pledges receivable	(23,746)	(39,698)
Increase (decrease) in accounts payable	(15,323)	52,724
Increase (decrease) in accrued expenses	<u>100,673</u>	<u>(1,382)</u>
Net cash provided by (used in) operating activities	<u>(142,706)</u>	<u>268,510</u>
Cash flows from investing activities:		
Capital expenditures	(3,801,451)	(507,305)
Proceeds from sales and maturities of investments	13,240,722	2,649,062
Purchase of investments	<u>(13,564,919)</u>	<u>(2,167,487)</u>
Net cash used in investing activities	<u>(4,125,648)</u>	<u>(25,730)</u>
Cash flows from financing activities:		
Net borrowing under lines of credit	334,272	128,140
Capital projects campaign contributions	3,074,347	1,065,014
Operating endowment fund contributions	<u>28,750</u>	<u>6,000</u>
Net cash provided by financing activities	<u>3,437,369</u>	<u>1,199,154</u>
Net increase (decrease) in cash and cash equivalents	(830,985)	1,441,934
Cash and cash equivalents at beginning of year	<u>1,579,751</u>	<u>137,817</u>
Cash and cash equivalents at end of year	\$ <u>748,766</u>	\$ <u>1,579,751</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ <u>166,180</u>	\$ <u>174,364</u>



# THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

## Notes to Combined Financial Statements

September 30, 2017 and 2016

### (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 and expired in August 2017.

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 Topic 740-10. At September 30, 2017, 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, 2013 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 Organization 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 over the lease term 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, 2017 and 2016 was \$165,230 and \$128,777, 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 2016 combined financial statements have been reclassified for comparative purposes to conform with the presentation in the 2017 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, 2017 and 2016 are due:

	<u>2017</u>	<u>2016</u>
Due within one year	\$ 24,998	14,998
Due years two through five	51,250	20,000
More than five years	-	20,000
	<hr/>	<hr/>
Total pledges receivable	76,248	54,998
Less discount on pledges due after one year	(1,806)	(4,302)
Less allowance for uncollectible pledges	-	-
	<hr/>	<hr/>
Net pledges receivable	\$ <u>74,442</u>	<u>50,696</u>

The amounts presented above include a pledge balance of \$9,998, at September 30, 2017 and 2016, 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 2.9%.

**(3) Capital Projects Pledges Receivable**

The following schedule presents when capital projects pledges receivable at September 30, 2017 and 2016 are due:

	<u>2017</u>	<u>2016</u>
Due within one year	\$ 767,498	2,651,100
Due years two through five	1,507,000	759,000
More than five years	15,000	20,000
	<hr/>	<hr/>
Total pledges receivable	2,289,498	3,430,100
Less discount on pledges due after one year	(118,062)	(53,577)
Less allowance for uncollectible pledges	-	-
	<hr/>	<hr/>
Net pledges receivable	\$ <u>2,171,436</u>	<u>3,376,523</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 2.47% to 3.25%.

At September 30, 2017 and 2016, cash and cash equivalents includes approximately \$334,000 and \$543,000, respectively, of capital projects contributions.

**(4) Investments**

At September 30, 2017 and 2016, the cost and market value of the Organization's investments were as follows:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cultural Endowment Program Fund:				
Mutual funds - fixed income	\$ 644,899	644,586	12,649	12,649
Corporate bonds	-	-	250,481	252,546
Government bonds	-	-	379,064	373,835
	<u>644,899</u>	<u>644,586</u>	<u>642,194</u>	<u>639,030</u>
Operating Endowment Fund:				
Cash equivalent and money				
market investments	3,342	3,342	746,014	746,014
Mutual funds	11,890,802	12,425,045	3,954,590	3,961,382
Common and preferred stocks	-	-	4,954,831	6,402,481
	<u>11,894,144</u>	<u>12,428,387</u>	<u>9,655,435</u>	<u>11,109,877</u>
	<u>\$ 12,539,043</u>	<u>13,072,973</u>	<u>10,297,629</u>	<u>11,748,907</u>

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, 2017 and 2016 were \$54,282 and \$88,111, 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, 2017, donors had contributed \$166,980 to the Fund. The market value of the Fund, as reported by the Community Foundation, was approximately \$171,000 and \$161,000 as of September 30, 2017 and 2016, respectively.

The following schedule summarizes investment return for the years ended September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 276,483	238,946
Net realized and unrealized gains	<u>999,869</u>	<u>1,023,682</u>
Total investment return	\$ <u>1,276,352</u>	<u>1,262,628</u>

**(5) Property and Equipment**

Property and equipment at September 30, 2017 and 2016 is summarized as follows:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 732,838	720,393
Computer software	38,022	38,022
Leasehold improvements	6,431,429	6,081,166
Fixtures and equipment	9,389,335	9,348,167
Construction in progress	<u>3,600,157</u>	<u>202,580</u>
	20,191,781	16,390,328
Less accumulated depreciation and amortization	<u>(11,474,686)</u>	<u>(10,902,638)</u>
	\$ <u>8,717,095</u>	<u>5,487,690</u>

Depreciation and amortization expense relating to property and equipment for the years ended September 30, 2017 and 2016 was \$572,046 and \$853,649, 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, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 14,920,455	15,511,364
Recognition of rent expense	<u>(590,909)</u>	<u>(590,909)</u>
Balance at end of year	\$ <u>14,329,546</u>	<u>14,920,455</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 (4.25% at September 30, 2017). The line of credit matures November 6, 2017. The line of credit is unsecured. At September 30, 2017 and 2016 the balance outstanding under the line of credit was \$0 and \$110,000, 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% (4.00% at September 30, 2017). The line of credit matures November 6, 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, 2017 and 2016, the balance outstanding under the line of credit was \$612,412 and \$168,140, respectively.

**(8) Temporarily Restricted Net Assets**

Temporary restrictions on net assets consisted of the following at September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Exhibits	\$ 134,924	115,632
Contingency fund	100,000	100,000
Capital campaign contributions	1,371,782	3,597,073
Gifted facility - time restriction	14,329,546	14,920,455
Unappropriated investment return	<u>2,372,433</u>	<u>1,683,876</u>
	\$ <u>18,308,685</u>	<u>20,417,036</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, 2017 and 2016 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, 2017 and 2016, there were \$34,998 and \$9,998, respectively, of outstanding pledges to the Operating Endowment. Contributions by donors to the Operating Endowment are considered to be permanently restricted. Permanently restricted contributions to the Operating Endowment for the years ended September 30, 2017 and 2016 were \$25,250 and \$1,002,025, respectively.

For the years ended September 30, 2017 and 2016, \$264,560 and \$220,202, 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, 2017, 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 2018.

For the years ended September 30, 2017 and 2016, \$14,191 and \$16,020, 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, 2017 and 2016, total permanently restricted net assets were \$11,102,802 and \$11,077,552, respectively.

#### (10) Fair Value Measurement

The Organization has adopted the provisions of ASC Topic 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, 2017 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds - fixed income:				
Intermediate bond fund	\$ 1,669,719	1,669,719	-	-
Short-term bond fund	477,017	477,017	-	-
Bond market index fund	876,557	876,557	-	-
International bond index fund	780,574	780,574	-	-
Mutual funds - equity:				
Domestic stock index fund	5,530,589	5,530,589	-	-
International stock index fund	3,735,175	3,735,175	-	-
Money market funds	<u>3,342</u>	<u>3,342</u>	<u>-</u>	<u>-</u>
	\$ <u>13,072,973</u>	<u>13,072,973</u>	<u>-</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, 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>

**(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, 2017, the total market value of the fund, as reported by the USF Foundation, was \$4,664,502.

## 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, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Donor-restricted endowment funds	\$ -	2,327,847	10,142,802	12,470,649
Total funds	\$ -	2,327,847	10,142,802	12,470,649

Changes in Operating Endowment net assets for the year ended September 30, 2017 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, 2016	\$ -	1,631,846	10,117,552	11,749,398
Contributions and transfers	-	-	25,250	25,250
Investment income, net	-	1,206,603	-	1,206,603
Distributions	-	(510,602)	-	(510,602)
Endowment net assets, at September 30, 2017	\$ -	2,327,847	10,142,802	12,470,649

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	\$ -	1,631,846	10,117,552	11,749,398

**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, 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	-	(617,506)	-	(617,506)
Endowment net assets, at September 30, 2016	\$ <u>-</u>	<u>1,631,846</u>	<u>10,117,552</u>	<u>11,749,398</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, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Donor-restricted endowment funds	\$ -	44,586	960,000	1,004,586
Total funds	\$ <u>-</u>	<u>44,586</u>	<u>960,000</u>	<u>1,004,586</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, 2017 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, 2016	\$	-	52,030	960,000	1,012,030
Investment income, net		-	3,783	-	3,783
Net appreciation		-	1,773	-	1,773
Distributions		-	(13,000)	-	(13,000)
Endowment net assets, at September 30, 2017	\$	<u>-</u>	<u>44,586</u>	<u>960,000</u>	<u>1,004,586</u>

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	\$	<u>-</u>	<u>52,030</u>	<u>960,000</u>	<u>1,012,030</u>
Total funds	\$	<u>-</u>	<u>52,030</u>	<u>960,000</u>	<u>1,012,030</u>

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		-	(2,081)	-	(2,081)
Endowment net assets, at September 30, 2016	\$	<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

#### **(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. This note was cancelled in August 2017 as a result of the Program ending as described below.

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. Effective with the conclusion of the program in August 2017 as described below, these two notes became intercompany liabilities between Facility and Collections.

During August 2017, the New Markets Development Program transaction was concluded. Stonehenge transferred its interests in the \$10,000,000 of notes receivable from Facility to Collections and Collections' original note receivable of \$8,490,250 was cancelled. As a result, Collections recognized a noncash gain of \$1,509,750. In addition, Collections received a contribution of approximately \$58,000 of cash from Stonehenge to close out accounts related to the Program.

#### **(14) Contributed Services and Facilities**

Contributions in-kind were \$44,152 and \$37,732 during the years ended September 30, 2017 and 2016, respectively, which consisted primarily of advertising services.

# THE TAMPA BAY HISTORY CENTER, INC. AND AFFILIATES

## Notes to Combined Financial Statements - Continued

### (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 \$4,400 and \$4,600 for the years ended September 30, 2017 and 2016, respectively. Future minimum rental payments due under these leases are as follows:

<u>Year Ending September 30,</u>	
2018	\$ 3,800
2019	3,300
2020	3,300
2021	<u>1,700</u>
	<u>\$ 12,100</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, 2017 and 2016 was \$33,260 and \$29,476, respectively.

### (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, 2017, Hillsborough County and the City of Tampa accounted for approximately 21% and 2%, respectively, of total unrestricted support and revenues (excluding investment return).

During the year ended September 30, 2016, Hillsborough County and the City of Tampa accounted for approximately 25% and 4%, respectively, of total unrestricted support and revenues (excluding investment return).

During fiscal 2017, contributions from two donors accounted for approximately 43% of total temporarily restricted grants and donations. 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, 2017, pledges from three donors accounted for approximately 52% of capital projects pledges receivable. At September 30, 2016, pledges due from two donors accounted for approximately 89% of capital projects pledges receivable.

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

### Notes to Combined Financial Statements - Continued

#### (17) Credit and Funding Concentrations - Continued

The Organization maintains its primary deposit accounts with several local commercial banks. At September 30, 2017 and 2016 deposits with these banks exceeded federal deposit insurance limits by approximately \$655,000 and \$1,083,000, 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, 2017 and 2016 was \$231,589 and \$173,051, 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. During 2017, the Organization paid for the two improvements in full and recorded them as leasehold improvements.

#### (19) Subsequent Events

The Organization has evaluated subsequent events through February 21, 2018, 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, 2017**

	<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>
<b>Assets</b>						
Cash and cash equivalents	\$ 740,080	7,264	1,092	330	-	748,766
Grants receivable	133,793	-	-	-	-	133,793
Other receivables	43,562	-	-	-	-	43,562
Interorganizational receivable (payable)	(1,169,932)	-	118,639	1,051,293	-	-
Prepaid expenses and other	36,375	-	-	-	-	36,375
Inventory	30,403	-	-	-	-	30,403
Property and equipment, net	8,717,095	-	-	-	-	8,717,095
Gifted facilities - land and building use	-	-	14,329,546	-	-	14,329,546
Capital projects pledges receivable, net	2,171,436	-	-	-	-	2,171,436
Other pledges receivable, net	39,444	34,998	-	-	-	74,442
Note receivable - new markets tax credit	-	-	-	10,000,000	(10,000,000)	-
Cultural endowment program fund	644,586	-	-	-	-	644,586
Operating endowment fund	-	12,428,387	-	-	-	12,428,387
	<u>\$ 11,386,842</u>	<u>12,470,649</u>	<u>14,449,277</u>	<u>11,051,623</u>	<u>(10,000,000)</u>	<u>39,358,391</u>
<b>Liabilities and Net Assets</b>						
Liabilities:						
Accounts payable	\$ 82,804	-	-	-	-	82,804
Accrued expenses	290,135	-	3,394	-	-	293,529
Lines of credit	612,412	-	-	-	-	612,412
Long term debt - new markets tax credit	-	-	10,000,000	-	(10,000,000)	-
Total liabilities	<u>985,351</u>	<u>-</u>	<u>10,003,394</u>	<u>-</u>	<u>(10,000,000)</u>	<u>988,745</u>
Net assets:						
Unrestricted	7,790,200	-	(323,498)	1,491,457	-	8,958,159
Temporarily restricted	1,651,291	2,327,847	4,769,381	9,560,166	-	18,308,685
Permanently restricted	960,000	10,142,802	-	-	-	11,102,802
Total net assets	<u>10,401,491</u>	<u>12,470,649</u>	<u>4,445,883</u>	<u>11,051,623</u>	<u>-</u>	<u>38,369,646</u>
	<u>\$ 11,386,842</u>	<u>12,470,649</u>	<u>14,449,277</u>	<u>11,051,623</u>	<u>(10,000,000)</u>	<u>39,358,391</u>

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

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

**Year Ended September 30, 2017**

	<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	\$ 837,741	-	-	-	-	837,741
Government support - City of Tampa, Florida	72,000	-	-	-	-	72,000
Admissions	259,213	-	-	-	-	259,213
Memberships	200,548	-	-	-	-	200,548
USF Foundation endowment income	107,250	-	-	-	-	107,250
Contributions and donations	620,252	-	-	58,054	(460,603)	217,703
Contributions in-kind	44,152	-	-	-	-	44,152
Investment return	2,625	61,568	-	-	-	64,193
Retail sales, net	39,452	-	-	-	-	39,452
Special event revenue	219,200	-	-	-	-	219,200
Gain from termination of New Markets Tax Credit	-	-	-	1,509,750	-	1,509,750
Other revenue	551,181	-	347,343	76,648	(553,216)	421,956
Net assets released from restrictions	4,195,222	510,602	590,909	-	-	5,296,733
<b>Total revenues</b>	<b>7,148,836</b>	<b>572,170</b>	<b>938,252</b>	<b>1,644,452</b>	<b>(1,013,819)</b>	<b>9,289,891</b>
Expenses:						
Program services	2,229,946	-	628,850	-	(115,781)	2,743,015
Management and general	544,564	111,425	267,553	158,224	(321,655)	760,111
Development	836,955	143	41,561	-	(115,781)	762,878
Donations made to others	-	460,602	-	-	(460,602)	-
<b>Total expenses</b>	<b>3,611,465</b>	<b>572,170</b>	<b>937,964</b>	<b>158,224</b>	<b>(1,013,819)</b>	<b>4,266,004</b>
<b>Increase in unrestricted net assets</b>	<b>3,537,371</b>	<b>-</b>	<b>288</b>	<b>1,486,228</b>	<b>-</b>	<b>5,023,887</b>
Changes in temporarily restricted net assets:						
Grants and donations	1,976,223	-	-	-	-	1,976,223
Investment return	5,556	1,206,603	-	-	-	1,212,159
Net assets released from restrictions	(4,195,222)	(510,602)	(590,909)	-	-	(5,296,733)
<b>Increase (decrease) in temporarily restricted net assets</b>	<b>(2,213,443)</b>	<b>696,001</b>	<b>(590,909)</b>	<b>-</b>	<b>-</b>	<b>(2,108,351)</b>
Changes in permanently restricted net assets:						
Operating endowment fund contributions	-	25,250	-	-	-	25,250
<b>Increase in permanently restricted net assets</b>	<b>-</b>	<b>25,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,250</b>
<b>Increase (decrease) in net assets</b>	<b>1,323,928</b>	<b>721,251</b>	<b>(590,621)</b>	<b>1,486,228</b>	<b>-</b>	<b>2,940,786</b>
Net assets, beginning of year	9,077,563	11,749,398	5,036,504	9,565,395	-	35,428,860
<b>Net assets, end of year</b>	<b>\$ 10,401,491</b>	<b>12,470,649</b>	<b>4,445,883</b>	<b>11,051,623</b>	<b>-</b>	<b>38,369,646</b>

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

**Combined Schedule of Functional Expenses**

**Year Ended September 30, 2017  
(With Comparative Totals for 2016)**

	Program Services	Supporting Services		Total Expenses	
		Management and General	Development	2017	2016
Salaries and wages	\$ 642,968	241,372	326,654	1,210,994	1,156,585
Payroll taxes	46,646	17,503	23,694	87,843	85,597
Employee benefits	86,853	32,538	44,078	163,469	171,998
<b>Total salaries and related expenses</b>	<b>776,467</b>	<b>291,413</b>	<b>394,426</b>	<b>1,462,306</b>	<b>1,414,180</b>
Rent - contributed use of land and building	555,454	29,546	5,909	590,909	590,909
Rent - facility and storage	2,212	-	-	2,212	1,442
Rent - furniture and equipment	1,972	1,444	964	4,380	4,666
Utilities	173,555	9,232	1,846	184,633	195,385
Insurance	91,962	4,892	978	97,832	84,616
Other occupancy expenses	17,446	928	186	18,560	20,065
Design, fabrication and graphic	(2,018)	-	5,489	3,471	5,489
Specific program expense	38,332	-	-	38,332	26,075
Education materials & expense	4,391	-	-	4,391	8,995
Advertising and promotion	-	-	165,230	165,230	128,777
Collections supplies and expenses	266,002	-	-	266,002	26,933
Reference books and materials	49	-	-	49	199
Publications	-	-	2,954	2,954	6,404
Contract labor	8,225	-	-	8,225	9,269
Development and marketing	-	-	108,028	108,028	81,088
Honorarium and awards	1,000	-	-	1,000	1,000
Website	3,420	-	380	3,800	3,037
Printing	10,716	2,143	8,572	21,431	10,801
Postage	3,727	2,735	1,823	8,285	3,934
Seminars and conventions	2,140	1,570	1,047	4,757	6,641
Computer hardware and software	20,817	15,263	10,176	46,256	27,908
Travel and entertainment	10,591	7,941	7,942	26,474	27,879
Professional fees and memberships	8,455	3,381	3,536	15,372	17,516
Office supplies	10,662	7,822	5,213	23,697	16,516
Meetings and hospitality	2,740	6,393	9,133	18,266	17,175
Janitorial services	50,193	2,670	534	53,397	52,820
Other general and administrative	6,470	38,899	19,412	64,781	43,758
Accounting and audit	15,374	15,000	2,051	32,425	30,587
Interest	9,909	156,166	105	166,180	174,364
Investment management fees	2,356	51,901	25	54,282	88,111
Repairs and maintenance	112,673	5,993	1,199	119,865	121,997
Depreciation and amortization	537,723	104,779	5,720	648,222	929,824
<b>Total expenses - 2017</b>	<b>\$ 2,743,015</b>	<b>760,111</b>	<b>762,878</b>	<b>4,266,004</b>	
<b>Total expenses - 2016</b>	<b>\$ 2,725,834</b>	<b>780,252</b>	<b>672,274</b>		<b>4,178,360</b>