



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

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

September 30, 2025 and 2024



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

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CBIZ CPAs P.C.

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## **Independent Auditors' Report**

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

We have audited the financial statements of Palm Harbor Community Services Agency, Inc. (the "Agency"), which comprise the statements of financial position as of September 30, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of September 30, 2025 and 2024, and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audits.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## ***Report on Supplementary Information***

Our audit was conducted for purposes of forming an opinion on the financial statements as a whole. The schedule of combined funds - statement of financial position as of September 30, 2025, as well as the schedule of combined funds - statement of activities and the schedule of fund and functional expenses for the year ended September 30, 2025, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***CBIZ CPAs P.C.***

St. Petersburg, Florida  
April 1, 2026

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

**STATEMENTS OF FINANCIAL POSITION**

September 30, 2025 and 2024

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	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,095,261	\$ 1,522,906
Funds held in custody of Pinellas County	409,461	299,001
Other receivables	42,502	44,625
Certificates of deposits	900,352	1,100,650
Prepaid expenses	<u>250,062</u>	<u>268,498</u>
<b>Total Current Assets</b>	<u>3,697,638</u>	<u>3,235,680</u>
Cash designated for long-term purposes	1,303,096	1,464,175
Property and equipment, net	4,952,837	4,658,835
Operating lease right-of-use assets	29,023	48,648
Other assets	<u>1,280</u>	<u>1,280</u>
<b>Total Assets</b>	<u>\$ 9,983,874</u>	<u>\$ 9,408,618</u>

*See accompanying independent auditors' report and notes to financial statements.*

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

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 267,259	\$ 339,705
Deferred revenue - deposits	40,000	52,060
Current portion of operating lease liabilities	<u>18,082</u>	<u>19,625</u>
<b>Total Current Liabilities</b>	325,341	411,390
Operating lease liabilities, less current portion	<u>10,941</u>	<u>29,023</u>
<b>Total Liabilities</b>	<u>336,282</u>	<u>440,413</u>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	3,291,578	2,758,489
Board designated for long-term purposes	1,303,096	1,464,175
Net investment in property and equipment	<u>4,952,837</u>	<u>4,658,835</u>
	9,547,511	8,881,499
With donor restrictions	<u>100,081</u>	<u>86,706</u>
<b>Total Net Assets</b>	<u>9,647,592</u>	<u>8,968,205</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 9,983,874</u>	<u>\$ 9,408,618</u>

*See accompanying independent auditors' report and notes to financial statements.*

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

**STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2025  
(With Comparative Totals for 2024)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
			<b>2025</b>	<b>2024</b>
<b>Support and Revenue</b>				
Pinellas County	\$ 5,396,550	\$ --	\$ 5,396,550	\$ 5,006,292
Pinellas Public Library Cooperative	783,466	--	783,466	708,610
Other grant funding	80,000	--	80,000	191,767
Program and event fees	619,816	--	619,816	587,573
Facility rental fees	268,575	--	268,575	284,858
Contributions	126,284	25,280	151,564	111,520
In-kind contributions	463,710	--	463,710	463,710
Fines and other fees	91,438	--	91,438	68,425
Miscellaneous revenue	149,971	--	149,971	92,573
	<u>7,979,810</u>	<u>25,280</u>	<u>8,005,090</u>	<u>7,515,328</u>
<b>Net Assets Released from Restrictions</b>				
Satisfaction of use restrictions	<u>11,905</u>	<u>(11,905)</u>	<u>--</u>	<u>--</u>
<b>Total Support and Revenue</b>	<u>7,991,715</u>	<u>13,375</u>	<u>8,005,090</u>	<u>7,515,328</u>
<b>Expenses</b>				
Program services	7,129,319	--	7,129,319	6,694,984
Supporting services	196,384	--	196,384	142,909
<b>Total Expenses</b>	<u>7,325,703</u>	<u>--</u>	<u>7,325,703</u>	<u>6,837,893</u>
<b>Increase in net assets</b>	666,012	13,375	679,387	677,435
<b>Net Assets at beginning of year</b>	<u>8,881,499</u>	<u>86,706</u>	<u>8,968,205</u>	<u>8,290,770</u>
<b>Net Assets at end of year</b>	<u>\$ 9,547,511</u>	<u>\$ 100,081</u>	<u>\$ 9,647,592</u>	<u>\$ 8,968,205</u>

*See accompanying independent auditors' report and notes to financial statements.*

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

**STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenue:</b>			
Pinellas County	\$ 5,006,292	\$ --	\$ 5,006,292
Pinellas Public Library Cooperative	708,610	--	708,610
Other grant funding	191,767	--	191,767
Program and event fees	587,573	--	587,573
Facility rental fees	284,858	--	284,858
Contributions	96,498	15,022	111,520
In-kind contributions	463,710	--	463,710
Fines and other fees	68,425	--	68,425
Miscellaneous revenue	<u>92,573</u>	<u>--</u>	<u>92,573</u>
	7,500,306	15,022	7,515,328
<b>Net assets released from restrictions:</b>			
Satisfaction of use restrictions	<u>14,520</u>	<u>(14,520)</u>	<u>--</u>
Total support and revenue	<u>7,514,826</u>	<u>502</u>	<u>7,515,328</u>
<b>Expenses:</b>			
Program services	6,694,984	--	6,694,984
Supporting services	<u>142,909</u>	<u>--</u>	<u>142,909</u>
Total expenses	<u>6,837,893</u>	<u>--</u>	<u>6,837,893</u>
Increase in net assets	676,933	502	677,435
Net assets at beginning of year	<u>8,204,566</u>	<u>86,204</u>	<u>8,290,770</u>
Net assets at end of year	<u>\$ 8,881,499</u>	<u>\$ 86,706</u>	<u>\$ 8,968,205</u>

*See accompanying independent auditors' report and notes to financial statements.*

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

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended September 30, 2025  
(with Comparative Totals for 2024)

	Program Services			Supporting Services	Total	
	Parks and Recreation	Library Services	Total	Management and General	2025	2024
Salaries	\$ 898,161	\$ 1,847,829	\$ 2,745,990	\$ 106,920	\$ 2,852,910	\$ 2,556,156
Payroll taxes	67,505	140,143	207,648	8,857	216,505	185,804
Employee benefits	146,926	299,942	446,868	10,100	456,968	360,944
<b>Total Salaries and Related Expense</b>	<b>1,112,592</b>	<b>2,287,914</b>	<b>3,400,506</b>	<b>125,877</b>	<b>3,526,383</b>	<b>3,102,904</b>
Advertising	17,542	13,977	31,519	--	31,519	39,221
Collection development	--	134,387	134,387	--	134,387	116,213
Communications	14,391	25,673	40,064	--	40,064	44,085
Office equipment and supplies	18,499	98,545	117,044	770	117,814	150,164
Insurance	135,708	149,683	285,391	1,638	287,029	291,793
Professional fees	10,621	14,084	24,705	58,065	82,770	89,075
Programs and events	391,800	128,677	520,477	--	520,477	502,097
Repairs and maintenance	936,442	205,820	1,142,262	--	1,142,262	1,102,658
Software license fees	--	158,195	158,195	--	158,195	149,268
Travel	13,448	60	13,508	208	13,716	13,080
Utilities	122,676	80,643	203,319	--	203,319	198,967
In-kind	463,710	--	463,710	--	463,710	463,710
Other expenses	36,638	37,000	73,638	9,826	83,464	69,963
<b>Total Expenses before Depreciation and Amortization</b>	<b>3,274,067</b>	<b>3,334,658</b>	<b>6,608,725</b>	<b>196,384</b>	<b>6,805,109</b>	<b>6,333,198</b>
Depreciation and amortization	349,179	171,415	520,594	--	520,594	504,695
<b>Total Expenses</b>	<b>\$ 3,623,246</b>	<b>\$ 3,506,073</b>	<b>\$ 7,129,319</b>	<b>\$ 196,384</b>	<b>\$ 7,325,703</b>	<b>\$ 6,837,893</b>

*See accompanying independent auditors' report and notes to financial statements.*

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

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended September 30, 2024

	Program Services			Supporting Services	Total
	Parks and Recreation	Library Services	Total	Management and General	
Salaries	\$ 838,961	\$ 1,651,155	\$ 2,490,116	\$ 66,040	\$ 2,556,156
Payroll taxes	61,781	118,553	180,334	5,470	185,804
Employee benefits	118,950	241,314	360,264	680	360,944
<b>Total Salaries and Related Expense</b>	1,019,692	2,011,022	3,030,714	72,190	3,102,904
Advertising	25,499	13,722	39,221	--	39,221
Collection development	--	116,213	116,213	--	116,213
Communications	15,035	29,050	44,085	--	44,085
Office equipment and supplies	20,662	127,733	148,395	1,769	150,164
Insurance	139,041	151,088	290,129	1,664	291,793
Professional fees	602	32,732	33,334	55,741	89,075
Programs and events	361,434	140,663	502,097	--	502,097
Repairs and maintenance	855,231	247,427	1,102,658	--	1,102,658
Software license fees	--	149,268	149,268	--	149,268
Travel	12,909	--	12,909	171	13,080
Utilities	125,300	73,667	198,967	--	198,967
In-kind	463,710	--	463,710	--	463,710
Other expenses	33,398	25,191	58,589	11,374	69,963
<b>Total Expenses before Depreciation and Amortization</b>	3,072,513	3,117,776	6,190,289	142,909	6,333,198
Depreciation and amortization	329,924	174,771	504,695	--	504,695
<b>Total Expenses</b>	<u>\$ 3,402,437</u>	<u>\$ 3,292,547</u>	<u>\$ 6,694,984</u>	<u>\$ 142,909</u>	<u>\$ 6,837,893</u>

*See accompanying independent auditors' report and notes to financial statements.*

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

**STATEMENTS OF CASH FLOWS**

For the Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 679,387	\$ 677,435
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	520,594	504,695
Unrealized loss on investments	1,265	--
Decrease (increase) in funds held in custody of Pinellas County	(110,460)	57,396
Decrease in other receivables	2,123	44,129
Decrease (increase) in prepaid expenses	18,436	(25,750)
Decrease (increase) in accounts payable and accrued expenses	(72,446)	97,477
Decrease in deferred revenue - deposits	<u>(12,060)</u>	<u>(3,767)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>1,026,839</u>	<u>1,351,615</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of certificates of deposits	(59,866)	(355,732)
Sales of certificates of deposits	258,899	--
Purchases of property and equipment	<u>(814,596)</u>	<u>(469,937)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(615,563)</u>	<u>(825,669)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	411,276	525,946
<b>Cash and Cash Equivalents - beginning of year</b>	<u>2,987,081</u>	<u>2,461,135</u>
<b>Cash and Cash Equivalents - end of year</b>	<u>\$ 3,398,357</u>	<u>\$ 2,987,081</u>
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 2,095,261	\$ 1,522,906
Cash designated for long-term purposes	<u>1,303,096</u>	<u>1,464,175</u>
	<u>\$ 3,398,357</u>	<u>\$ 2,987,081</u>

*See accompanying independent auditors' report and notes to financial statements.*

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

## **NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

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### **NOTE 1 - DESCRIPTION OF ORGANIZATION**

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

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

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

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***FINANCIAL ACCOUNTING STANDARDS***

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

#### ***FINANCIAL STATEMENT PRESENTATION***

##### ***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Agency’s Board of Directors (the “Board”) and/or management for general operating purposes. From time to time, the Agency’s Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

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

**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***FINANCIAL STATEMENT PRESENTATION (CONTINUED)***

***Net Assets With Donor Restrictions***

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Agency reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

***CONTRIBUTED SERVICES***

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

***PROPERTY AND EQUIPMENT***

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

<u>Class</u>	<u>Useful Lives</u>
Land improvements	30 years
Buildings and improvements	3-39 years
Furniture and equipment	3-15 years
Vehicles	5 years

***CASH AND CASH EQUIVALENTS***

The Agency considers all certificates of deposit with original maturities of three months or less to be cash equivalents.

***CERTIFICATES OF DEPOSITS***

The Agency considers all certificates of deposits with original maturities greater than three months to be classified as certificates of deposits. The Agency considers certificates of deposits that are mature within twelve months or less from the statement of financial position date to be classified as current assets. Certificates of deposits are carried at their fair value determined by the issuing financial institution. Such values are considered to be Level 2 fair values for purposes of the FASB ASC Topic 820 fair value hierarchy.

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

**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***REVENUE RECOGNITION***

Program and event fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. The Agency offers a variety of these recreational programs and other services. Fee-based programs are available to the public. Program fees for short duration programs of two months or less are typically paid in advance at the time of registration.

Program and event fees are recognized ratably over the period the program service is provided on a straight-line basis in an amount that reflects the consideration the Agency expects to be entitled to in exchange for those services. All of the Agency's revenues from contracts with customers are from performance obligations satisfied over time. Prices are specific to a distinct performance obligation and do not consist of multiple transactions.

Program and event fees and facility rental fees and deposits paid to the Agency in advance represent contract liabilities and are recorded as deferred revenue. Amounts billed but unpaid are contract assets and recorded as accounts receivable.

The Agency may receive funding derived from levied taxes collected and allocated by governmental entities. Such revenue is recognized as contribution income in accordance with FASB ASC 958, *Not-for-Profit Entities*, when the underlying tax receipts are transferred to the Organization without a commensurate exchange of goods or services. Revenue is recorded when all eligibility and any applicable conditions are substantially met.

At year-end, the County holds funds in a fiduciary capacity on behalf of the Agency. These amounts represent monies collected or maintained by the County, but attributable to the Agency's operations or programs. Such funds are not included in the Agency's cash and cash equivalents on the statements of financial position, as the Agency does not have direct control over the cash until disbursement by the County. The Agency recognizes revenue and related assets when it has an unconditional right to receive the funds.

***INCOME TAXES***

PHCSA has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. Income earned in furtherance of PHCSA's tax-exempt purpose is exempt from Federal and State income taxes. However, income from certain activities, not directly related to the Agency's tax-exempt purpose is subject to taxation as unrelated business income. PHCSA is treated as a publicly supported organization, and not as a private foundation. PHCSA has adopted the provisions of ASC Topic 740, *Income Taxes*, and does not believe it has any material income tax exposure relating to uncertain tax positions. The Agency's income tax filings for periods after the fiscal year ended September 30, 2021 remain subject to examination.

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

**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***USE OF ESTIMATES***

The preparation of financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***GOING CONCERN EVALUATION***

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Agency performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. The evaluation determined that there were no conditions, events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

***FUNCTIONAL ALLOCATION OF EXPENSES***

The costs of providing the Agency's various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Expenses directly attributable to a specific functional area of the Agency are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on programs and supporting services benefited. Personnel costs have been allocated to functional classifications based on the reporting of time spent on each by the employees. Building, depreciation, insurance, maintenance and other related costs have been allocated to functional classifications based on square footage. Equipment depreciation, maintenance and related costs have been allocated based upon the location of the equipment and usage.

***LEASES***

The Agency leases certain office equipment and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the accompanying statements of financial position.

ROU assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Agency's leases do not provide an implicit rate, the Agency uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Agency's lease terms may include options to extend or terminate the lease when it is reasonably certain the Agency will exercise the option. The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment at September 30, 2025 consists of the following:

	Palm Harbor Parks and Recreation	Palm Harbor Library	East Lake Community Library	East Lake Recreation	Total
Land improvements	\$ 63,299	\$ 351,968	\$ --	\$ --	\$ 415,267
Buildings and improvements	4,223,038	3,242,370	1,102,794	1,691,191	10,259,393
Furniture and equipment	977,209	1,590,646	328,305	239,234	3,135,394
Vehicles	207,381	36,991	--	--	244,372
Construction in process	141,763	--	--	82,920	224,683
	<u>5,612,690</u>	<u>5,221,975</u>	<u>1,431,099</u>	<u>2,013,345</u>	<u>14,279,109</u>
Accumulated depreciation and amortization	<u>(3,796,013)</u>	<u>(3,969,300)</u>	<u>(783,221)</u>	<u>(777,738)</u>	<u>(9,326,272)</u>
	<u>\$ 1,816,677</u>	<u>\$ 1,252,675</u>	<u>\$ 647,878</u>	<u>\$ 1,235,607</u>	<u>\$ 4,952,837</u>

Property and equipment at September 30, 2024 consists of the following:

	Palm Harbor Parks and Recreation	Palm Harbor Library	East Lake Community Library	East Lake Recreation	Total
Land improvements	\$ 63,299	\$ 351,968	\$ --	\$ --	\$ 415,267
Buildings and improvements	3,929,525	3,242,370	1,072,619	1,618,645	9,863,159
Furniture and equipment	901,822	1,545,308	328,305	185,843	2,961,278
Vehicles	194,935	36,991	--	--	231,926
Construction in process	44,649	--	--	--	44,649
	<u>5,134,230</u>	<u>5,176,637</u>	<u>1,400,924</u>	<u>1,804,488</u>	<u>13,516,279</u>
Accumulated depreciation and amortization	<u>(3,610,548)</u>	<u>(3,858,815)</u>	<u>(722,291)</u>	<u>(665,790)</u>	<u>(8,857,444)</u>
	<u>\$ 1,523,682</u>	<u>\$ 1,317,822</u>	<u>\$ 678,633</u>	<u>\$ 1,138,698</u>	<u>\$ 4,658,835</u>

Depreciation expense for the years ended September 30, 2025 and 2024 was \$520,594 and \$504,695, respectively.

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

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

**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

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**NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of September 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Palm Harbor Library replacement of building roof	\$ 49,263	\$ 43,724
Palm Harbor Library renovation of teen library room	4,933	4,933
Palm Harbor Library adult and child media collections	4,972	258
Palm Harbor Library specific programs	340	340
Palm Harbor Library steam kits	481	663
Palm Harbor Library Mark Mazurek Gaming Center	2,870	1,788
East Lake Recreation soccer concession stand	35,000	35,000
East Lake Library capital campaign	240	--
East Lake Library Spread Our Wings Celebration	1,982	--
	<u>\$ 100,081</u>	<u>\$ 86,706</u>

Net assets released from restrictions for the years ended September 30, 2025 and 2024 was \$11,905 and \$14,520, respectively.

**NOTE 5 - EQUIPMENT LEASES**

PHCSA leases certain office equipment for its East Lake Community Library location and its Palm Harbor Library location. The leases have remaining terms ranging between 2 to 3 years. PHCSA determines if an arrangement is a lease at inception.

The components of lease expense are included below for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Operating lease costs	\$ 21,169	\$ 21,169
Short-term lease costs	2,281	903

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

**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

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**NOTE 5 - EQUIPMENT LEASES (CONTINUED)**

As of September 30, 2025 and 2024, the weighted average remaining lease term for operating leases was 1.96 years and 2.73 years, respectively.

As of September 30, 2025 and 2024, the weighted average discount rate for operating leases was 3.95% and 3.96%, respectively.

The following summarizes cash flow information related to leases for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ <u>21,169</u>	\$ <u>21,169</u>

The maturities of lease liabilities as of September 30, 2025, were as follows:

<u>Year Ending September 30,</u>	<u>Operating Leases</u>
2026	\$ 18,848
2027	6,446
2028	<u>4,889</u>
Total operating lease payments	30,183
Less imputed interest	<u>(1,160)</u>
Present value of lease liabilities	29,023
Less current portion	<u>(18,082)</u>
Lease liabilities, net of current portion	<u>\$ 10,941</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

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### **NOTE 6 - EMPLOYEE BENEFIT PLAN**

PHCSA sponsors a defined contribution retirement plan for the benefit of its full time employees and contributes up to a 3% match on annual wages. Retirement plan expense for the years ended September 30, 2025 and 2024 was approximately \$64,000 and \$54,000, respectively.

### **NOTE 7 - IN-KIND CONTRIBUTIONS**

In connection with conducting its recreation programs, the Agency utilizes a variety of recreation facilities located in the Palm Harbor and East Lake communities. Certain of the recreation facilities are provided by Pinellas County and other unrelated parties at little or no cost to the Agency. Based on current market rates for the rental of recreation facilities of similar size and nature, the Agency would have paid approximately \$464,000 for each of the years ended September 30, 2025 and 2024. The contributed use of the facilities is reflected as in-kind contributions and in-kind expense in the accompanying statements of activities.

### **NOTE 8 - CONCENTRATIONS**

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

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

### **NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Agency is supported by both unrestricted and restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Agency must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

In addition to the financial assets available to meet general expenditures over the next 12 months, the Agency operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Agency's cash and reflects positive cash flow generated by operating activities for the years ended September 30, 2025 and 2024.

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

**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

**NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

As of September 30, 2025 and 2024, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 2,095,261	\$ 1,522,906
Cash designated for long-term purposes	1,303,096	1,464,175
Certificates of deposits	900,352	1,100,650
Funds held in custody of Pinellas County	409,461	299,001
Other receivables	<u>42,502</u>	<u>44,625</u>
Total financial assets	4,750,672	4,431,357
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions	(100,081)	(86,706)
Board-designated for long-term purposes	<u>(1,303,096)</u>	<u>(1,464,175)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,347,495</u>	<u>\$ 2,880,476</u>

**NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

ASC Topic 820, *Fair Value Measurement*, establishes a framework for measuring fair value, and expands disclosures about fair value measurement. Management uses the fair value hierarchy, which gives the highest priority to quoted prices in active markets. The fair value of financial instruments is estimated based on market trading information, where available. Absent published market values for an instrument or other assets, management uses observable market data to arrive at its estimates of fair value. ASC Topic 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data;

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

**NOTES TO FINANCIAL STATEMENTS**

For the Years Ended September 30, 2025 and 2024

**NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS - CONTINUED**

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities; this includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The fair value of the Agency’s investments at September 30, 2025 and 2024 were as follows:

<u>Description</u>	<u>Fair Value Measurements at September 30, 2025 Using</u>			
	<u>Assets Measured at Fair Value at September 30, 2025</u>	<u>Observable Inputs (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of deposit	\$ 900,352	--	900,352	--
	<u>\$ 900,352</u>	<u>\$ --</u>	<u>\$ 900,352</u>	<u>\$ --</u>

<u>Description</u>	<u>Fair Value Measurements at September 30, 2024 Using</u>			
	<u>Assets Measured at Fair Value at September 30, 2024</u>	<u>Observable Inputs (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of deposit	\$ 1,100,650	--	1,100,650	--
	<u>\$ 1,100,650</u>	<u>\$ --</u>	<u>\$ 1,100,650</u>	<u>\$ --</u>

**NOTE 11 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 1, 2026, the date the financial statements were available for issuance.

**SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF COMBINED FUNDS –  
STATEMENT OF FINANCIAL POSITION INFORMATION**

September 30, 2025

	<b>Palm Harbor Parks and Recreation</b>	<b>Palm Harbor Library</b>	<b>East Lake Community Library</b>	<b>East Lake Recreation</b>	<b>Total</b>
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 217,657	\$ 766,376	\$ 232,354	\$ 878,874	\$ 2,095,261
Funds held in custody of Pinellas County	132,432	132,428	73,861	70,740	409,461
Other receivables	21,202	21,300	--	--	42,502
Certificates of deposits	--	1,817	268,029	630,506	900,352
Prepaid expenses	<u>70,209</u>	<u>107,897</u>	<u>55,853</u>	<u>16,103</u>	<u>250,062</u>
<b>Total Current Assets</b>	441,500	1,029,818	630,097	1,596,223	3,697,638
Cash designated for long-term purposes	985,532	193,382	124,182	--	1,303,096
Property and equipment, net	1,816,677	1,252,675	647,878	1,235,607	4,952,837
Operating lease right-of-use assets, net	2,923	--	26,100	--	29,023
Other assets	<u>445</u>	<u>--</u>	<u>835</u>	<u>--</u>	<u>1,280</u>
<b>Total Assets</b>	<u>\$ 3,247,077</u>	<u>\$ 2,475,875</u>	<u>\$ 1,429,092</u>	<u>\$ 2,831,830</u>	<u>\$ 9,983,874</u>
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 64,103	\$ 115,134	\$ 60,267	\$ 27,755	\$ 267,259
Deferred revenue - deposits	40,000	--	--	--	40,000
Current portion of operating lease liabilities	<u>1,825</u>	<u>--</u>	<u>16,257</u>	<u>--</u>	<u>18,082</u>
<b>Total Current Liabilities</b>	105,928	115,134	76,524	27,755	325,341
Operating lease liabilities, less current portion	<u>1,098</u>	<u>--</u>	<u>9,843</u>	<u>--</u>	<u>10,941</u>
<b>Total Liabilities</b>	<u>107,026</u>	<u>115,134</u>	<u>86,367</u>	<u>27,755</u>	<u>336,282</u>
<b>Net Assets</b>					
Without donor restrictions:					
Undesignated	337,842	851,825	568,443	1,533,468	3,291,578
Board-designated for long-term purposes	985,532	193,382	124,182	--	1,303,096
Net investment in property and equipment	<u>1,816,677</u>	<u>1,252,675</u>	<u>647,878</u>	<u>1,235,607</u>	<u>4,952,837</u>
	3,140,051	2,297,882	1,340,503	2,769,075	9,547,511
With donor restrictions	<u>--</u>	<u>62,859</u>	<u>2,222</u>	<u>35,000</u>	<u>100,081</u>
<b>Total Net Assets</b>	<u>3,140,051</u>	<u>2,360,741</u>	<u>1,342,725</u>	<u>2,804,075</u>	<u>9,647,592</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,247,077</u>	<u>\$ 2,475,875</u>	<u>\$ 1,429,092</u>	<u>\$ 2,831,830</u>	<u>\$ 9,983,874</u>

*See accompanying independent auditors' report.*

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

**SCHEDULE OF COMBINED FUNDS –  
STATEMENT OF ACTIVITIES INFORMATION**

For the Year Ended September 30, 2025

	<b>Palm Harbor Parks and Recreation</b>	<b>Palm Harbor Library</b>	<b>East Lake Community Library</b>	<b>East Lake Recreation</b>	<b>Total</b>
<b>Support and Revenue</b>					
Pinellas County	\$ 1,686,843	\$ 1,686,845	\$ 1,011,491	\$ 1,011,371	\$ 5,396,550
Pinellas Public Library Cooperative	--	473,064	310,402	--	783,466
Other grant funding	20,000	20,000	20,000	20,000	80,000
Program and event fees	619,816	--	--	--	619,816
Facility rental fees	266,295	2,280	--	--	268,575
Contributions	13,354	99,272	38,938	--	151,564
In-kind contributions	463,710	--	--	--	463,710
Fines and other fees	--	13,101	78,337	--	91,438
Miscellaneous revenue	43,079	17,800	25,638	63,454	149,971
<b>Total Support and Revenue</b>	<u>3,113,097</u>	<u>2,312,362</u>	<u>1,484,806</u>	<u>1,094,825</u>	<u>8,005,090</u>
<b>Expenses</b>					
Program services	2,886,684	2,110,206	1,395,867	736,562	7,129,319
Supporting services	48,622	70,544	45,758	31,460	196,384
<b>Total Expenses</b>	<u>2,935,306</u>	<u>2,180,750</u>	<u>1,441,625</u>	<u>768,022</u>	<u>7,325,703</u>
<b>Increase in Net Assets</b>	177,791	131,612	43,181	326,803	679,387
<b>Net Assets - Beginning of year</b>	<u>2,962,260</u>	<u>2,229,129</u>	<u>1,299,544</u>	<u>2,477,272</u>	<u>8,968,205</u>
<b>Net Assets - End of year</b>	<u>\$ 3,140,051</u>	<u>\$ 2,360,741</u>	<u>\$ 1,342,725</u>	<u>\$ 2,804,075</u>	<u>\$ 9,647,592</u>

*See accompanying independent auditors' report.*

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

**SCHEDULE OF FUND AND FUNCTIONAL EXPENSES**

For the Year Ended September 30, 2025

	Palm Harbor		East Lake		Total	Program Services		Supporting	Total Expenses
	Parks and Recreation	Palm Harbor Library	Community Library	East Lake Recreation		Parks and Recreation	Library Services	Management and General	
Salaries	\$ 814,077	\$ 1,095,290	\$ 831,482	\$ 112,061	\$ 2,852,910	\$ 898,161	\$ 1,847,829	\$ 106,920	\$ 2,852,910
Payroll taxes	63,104	83,873	62,809	6,719	216,505	67,505	140,143	8,857	216,505
Employee benefits	129,192	197,841	102,101	27,834	456,968	146,926	299,942	10,100	456,968
<b>Total Salaries and Related Expense</b>	1,006,373	1,377,004	996,392	146,614	3,526,383	1,112,592	2,287,914	125,877	3,526,383
Advertising	17,542	12,394	1,583	--	31,519	17,542	13,977	--	31,519
Collection development	--	68,551	65,836	--	134,387	--	134,387	--	134,387
Communications	14,391	13,783	11,890	--	40,064	14,391	25,673	--	40,064
Office equipment and supplies	17,866	69,088	29,664	1,196	117,814	18,499	98,545	770	117,814
Insurance	110,295	96,761	54,560	25,413	287,029	135,708	149,683	1,638	287,029
Professional fees	26,203	24,000	18,745	13,822	82,770	10,621	14,084	58,065	82,770
Programs and events	390,110	107,946	20,731	1,690	520,477	391,800	128,677	--	520,477
Repairs and maintenance	529,602	125,500	80,320	406,840	1,142,262	936,442	205,820	--	1,142,262
Software license fees	--	108,273	49,922	--	158,195	--	158,195	--	158,195
Travel	13,540	60	116	--	13,716	13,448	60	208	13,716
Utilities	104,586	57,887	22,756	18,090	203,319	122,676	80,643	--	203,319
In-kind	463,710	--	--	--	463,710	463,710	--	--	463,710
Other expenses	30,843	9,018	28,180	15,423	83,464	36,638	37,000	9,826	83,464
<b>Total Expenses Before Depreciation and Amortization</b>	2,725,061	2,070,265	1,380,695	629,088	6,805,109	3,274,067	3,334,658	196,384	6,805,109
Depreciation and amortization	210,245	110,485	60,930	138,934	520,594	349,179	171,415	--	520,594
<b>Total Expenses</b>	<u>\$ 2,935,306</u>	<u>\$ 2,180,750</u>	<u>\$ 1,441,625</u>	<u>\$ 768,022</u>	<u>\$ 7,325,703</u>	<u>\$ 3,623,246</u>	<u>\$ 3,506,073</u>	<u>\$ 196,384</u>	<u>\$ 7,325,703</u>

*See accompanying independent auditors' report.*