PARK CENTER AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012

PARK CENTER AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Park Center
Nashville, Tennessee

We have audited the accompanying consolidated statement of financial position of Park Center and affiliate (a nonprofit organization) as of June 30, 2012, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Park Center and affiliate as of June 30, 2012, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Frasier, Dean & Howard, PLLC

Nashville, Tennessee
January 22, 2013

PARK CENTER AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2012

Assets

Current assets:	
Cash and cash equivalents	$ 1,678,489
Accounts receivable, net	196,147
Grants receivable	309,915
Prepaid expenses	15,108
Total current assets	2,199,659
Investments	385,506
Property and equipment, net	6,470,525
Total assets	$ 9,055,690

Liabilities and Net Assets

Current liabilities:	
Accounts payable and accrued expenses	$ 214,118
Current portion of long-term debt	37,728
Total current liabilities	251,846
Long-term debt, net of current portion	440,725
Total liabilities	692,571
Net assets:	
Unrestricted:	
Undesignated	5,056,036
Board designated	773,085
Total unrestricted	5,829,121
Temporarily restricted	2,533,998
Total net assets	8,363,119
Total liabilities and net assets	$ 9,055,690

See accompanying notes.

PARK CENTER AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended June 30, 2012

	Unrestricted	Temporarily Restricted	Total
Public support and revenues:			
Public support:			
Grants and contracts	$ 4,357,189	$ 232,027	$ 4,589,216
Contributions	203,287	265,000	468,287
Total public support	4,560,476	497,027	5,057,503
Revenues:			
Rental income	498,376	-	498,376
Food service fees	17,556	-	17,556
Investment and interest loss, net	(547)	-	(547)
Other	4,290	-	4,290
Net assets released from restrictions	183,363	(183,363)	-
Total revenues	703,038	(183,363)	519,675
Total public support and revenues	5,263,514	313,664	5,577,178
Expenses:			
Program services	3,931,381	-	3,931,381
Supporting services:			
Management and general	846,594	-	846,594
Fundraising	105,176	-	105,176
Total supporting services	951,770	-	951,770
Total expenses	4,883,151	-	4,883,151
Change in net assets	380,363	313,664	694,027
Net assets - beginning of year	5,448,758	2,220,334	7,669,092
Net assets - end of year	$ 5,829,121	$ 2,533,998	$ 8,363,119

See accompanying notes.

PARK CENTER AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2012

		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Personnel services	$ 2,165,325	$ 457,225	$ 68,341	$ 2,690,891
Fringe benefits	234,351	59,861	9,693	303,905
Payroll taxes	160,462	35,054	4,688	200,204
Total personnel costs	2,560,138	552,140	82,722	3,195,000
Contract services	120,081	132,977	2,536	255,594
Rental and maintenance	235,982	3,676	2,005	241,663
Utilities	214,035	4,313	-	218,348
Food and beverage	116,683	2,237	5,728	124,648
Insurance	41,049	45,039	-	86,088
Professional fees	20,411	68,992	1,173	90,576
Telephone	55,964	8,451	517	64,932
Rent	54,590	-	1,500	56,090
Program services	51,338	-	-	51,338
Member expenses	39,477	3,690	960	44,127
Travel	27,316	3,045	17	30,378
Office supplies	23,131	5,045	1,658	29,834
Vehicle expense	27,843	50	-	27,893
Janitorial supplies	21,033	-	-	21,033
Interest	16,871	-	-	16,871
Taxes and licenses	18,548	86	300	18,934
Certifications and accreditations	7,168	4,315	50	11,533
Small equipment purchases	9,983	-	-	9,983
Miscellaneous	958	7,010	1,479	9,447
Conferences and meetings	7,028	1,849	250	9,127
Printing and publications	418	1,777	3,125	5,320
Postage and shipping	808	1,768	1,156	3,732
Medical supplies	3,090	134	-	3,224
Total expense before depreciation	3,673,943	846,594	105,176	4,625,713
Depreciation	257,438	-	-	257,438
Total expenses	$ 3,931,381	$ 846,594	$ 105,176	$ 4,883,151

See accompanying notes.

PARK CENTER AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended June 30, 2012

Cash flows from operating activities:	
Change in net assets	$ 694,027
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	257,438
Net realized and unrealized loss on investment	9,223
Changes in operating assets and liabilities:	
Accounts receivable	(40,124)
Grants receivable	9,809
Prepaid expenses	(1,708)
Accounts payable and accrued expenses	(29,669)
Net cash provided by operating activities	898,996
Cash flows from investing activities:	
Proceeds from sale of investments	48,269
Purchases of investments	(54,143)
Purchases of property and equipment	(436,109)
Net cash used in investing activities	(441,983)
Cash flows from financing activities:	
Issuance of short-term debt	100,000
Payments on short-term debt	(100,000)
Payments on long-term debt	(37,140)
Net cash used in financing activities	(37,140)
Net increase in cash and cash equivalents	419,873
Cash and cash equivalents - beginning of year	1,258,616
Cash and cash equivalents - end of year	$ 1,678,489
Supplemental disclosure:	
Interest paid	$ 16,871

See accompanying notes.

PARK CENTER AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

General

Park Center is a nonprofit organization that provides psychosocial and vocational rehabilitation services and housing to emotionally and mentally ill individuals in Davidson County, Tennessee. Park Center offers food service, clerical, environmental, and vocational rehabilitation and operates a continuous mental health facility. Additionally, Park Center offers housing and housing support programs at several locations. Park Center's major sources of revenue are government grants and contracts with behavioral health organizations.

Park Center sponsored the establishment of Haley's Park, Inc. ("Haley's Park"), a separate nonprofit corporation, that was established in order to construct a facility to provide chronically mentally ill persons with housing and other services under guidelines of the U.S. Department of Housing and Urban Development ("HUD"), Section 811. The facility was completed in 2008 and includes 14 one-bedroom units, one two-bedroom unit for a resident counselor as well as office space. Haley's Park is operated under Section 202 of the National Housing Act and regulated by HUD with respect to rental charges and operating methods. Park Center provides management services for Haley's Park and Park Center's board of directors maintains the ability to approve the directors of Haley's Park.

Principles of Consolidation

The financial statements include the accounts of the Park Center and its affiliated organization, Haley's Park, Inc. (collectively, the "Center"). All significant inter-entity transactions and balances have been eliminated in consolidation.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Financial statement presentation is in accordance with standards of accounting and financial reporting prescribed for nonprofit organizations within the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"). Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted Net Assets

Undesignated – net assets that are not subject to donor-imposed stipulations.

Designated – net assets designated by the Center's board of directors for particular purposes, presently designated by the board for long term investment and the benefits of certain programs.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Temporarily Restricted Net Assets

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Client service revenue is reported at the estimated net realizable value from third-party payers in the period services are rendered. Management provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances which may affect the collectability of accounts receivable. Based on collection experience and management's review, no allowance for doubtful accounts is considered necessary at June 30, 2012.

Investments

The Center accounts for investments in accordance with accounting principles generally accepted in the United States of America. Under this guidance, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities as unrestricted revenues or expenses, unless specified by the donor.

Fair Values

The Center has an established process for determining fair values in accordance with FASB ASC guidance. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data and third party information. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Center believes its valuation methods are appropriate and consistent with

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values (Continued)

other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. GAAP has a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels are explained as follows:

> *Level 1* **–** inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
>
> *Level 2* **–** inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.
>
> *Level 3* **–** inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Center 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.

Donated Services

Amounts are reported in the financial statements for voluntary donations of services only when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills which would typically be purchased if not provided by donation. Volunteers donate significant amounts of their time in the Center's program services and its fund-raising efforts that have not been reported in the accompanying financial statements because the services do not create or enhance non-financial assets and no objective basis is available to measure the value of such donations.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Center.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Endowment Funds

The Center accounts for endowment funds in accordance with GAAP. This guidance indicates that a nonprofit organization should classify the portion of a donor-restricted endowment fund that is not permanently restricted by the donor or by law as temporarily restricted net assets (time restricted) until it is appropriated for expenditure and donor-imposed purpose restrictions, if any, are met. When the purpose restrictions, if any, on the portion of donor-restricted endowment funds are met and the appropriation has occurred, temporarily restricted net assets are reclassified to unrestricted net assets. The guidance also requires additional disclosures applicable to all nonprofit organizations. Those disclosures provide: a) a description of the organization's policies for making appropriations for expenditures from endowment funds (i.e. the organization's endowment spending policies), b) a description of the organization's investment policies for endowment funds, c) a description of the organization's endowment by net asset class at the end of the period in total and by type of endowment fund, d) a reconciliation of the beginning and ending balances of endowment funds in total and by net asset class, and e) a description of the organization's interpretation of the laws underlying the net asset classification of donor-restricted endowment funds.

Income Taxes

Park Center and Haley's Park are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and are not private foundations as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

PARK CENTER AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
June 30, 2012

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Center follows FASB ASC guidance concerning the accounting for income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit (liability) to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Center does not believe there are any uncertain tax positions at June 30, 2012. Additionally, the Center has not recognized any tax related interest and penalties in the accompanying financial statements. Federal tax years that remain open for examination include the years ended June 30, 2009 through June 30, 2012.

Subsequent Events

The Center evaluated subsequent events through January 22, 2013 when these financial statements were available to be issued. Management of the Center is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

NOTE 2 – INVESTMENTS

Investments are stated at fair value with fair value determined based on active markets (Level 1) and consist of the following at June 30, 2012:

Short-term investments	$ 58,684
Bond mutual funds:	
Large value funds	60,384
Bank loan funds	7,483
Large growth funds	62,633
Foreign large blend funds	37,622
Mid-cap blend funds	17,306
Managed futures funds	24,285
Small blend funds	18,589
Real estate funds	11,670
Inflation protected bond funds	46,510
Stock ETF funds:	
Small cap index funds	7,083
High yield bond funds	14,403

NOTE 2 – INVESTMENTS (Continued)

Specialty ETF funds:	
World bond funds	7,066
Common stocks:	
Mortgage investment	5,763
Home furnishings and fixtures	5,261
REIT – healthcare facilities	764
	$ 385,506

The following schedule summarizes the investment income (loss) in the statement of activities for the year ended June 30, 2012:

Interest and dividend income (including interest on cash and cash equivalents)	$ 8,676
Net unrealized and realized loss on investments	(9,223)
	$ (547)

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost at the date of purchase or fair market value at date of gift. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets (ranging from three to forty years) on a straight-line basis. The Center generally capitalizes an asset if its life is estimated to be one year or greater and the cost is $1,000 or greater.

The balances of the major classes of property and equipment are as follows at June 30, 2012:

Land and land improvements	$ 615,360
Buildings and building improvements	7,785,048
Equipment and furniture	145,651
Vehicles	55,192
	8,601,251
Less: accumulated depreciation	(2,130,726)
	$ 6,470,525

The Haley's Park buildings and improvements are located on five acres of land leased by the Center from the State of Tennessee through the year 2078. The Center does not charge rent to Haley's Park.

In January 1989, the Center entered into an agreement with the Metropolitan Development and Housing Agency, the Tennessee Department of Mental Health and Developmental Disabilities, the Tennessee Department of Human Services, and the U.S. Department of Housing and Urban

NOTE 3 – PROPERTY AND EQUIPMENT (Continued)

Development, whereby funds were made available to the Center by those governmental agencies to purchase and renovate four houses to be used by the Center to provide housing for the homeless mentally ill. Under the agreement, the Center is committed to operate the housing program for twenty to thirty years or be liable for repaying the prorated amounts of the original funds to the governmental agencies which provided them. Management currently plans to operate the program for the specified terms of the agreement.

In August 2007, the Center entered into an agreement with the Tennessee Housing Development Agency to purchase two properties for the Center to use to house mentally ill individuals. Under the agreement, the Center is committed to operate the housing program for five years. Management currently plans to operate the program for the specified terms of the agreement.

In April 2010, the Center entered into an agreement with the Metropolitan Development and Housing Agency to purchase two properties for the Center to use to house mentally ill individuals. Under the agreement, the Center is committed to operate the housing program for twenty years. A similar arrangement was entered into during 2011 under which the Center is committed to operate the housing program for ten years. Management currently plans to operate the programs for the specified terms of the agreements.

In October 2011, the Center entered into an agreement with the Tennessee Housing Development Agency to rehabilitate an apartment complex maintained by the Center. Under the agreement, the Center is committed to operate the housing program for five years after the property is first available for occupancy. Management currently plans to operate the program for the specified terms of the agreement.

The net asset value of the buildings, building improvements, and land acquired under these agreements in the amount of $778,090 at June 30, 2012, is included as temporarily restricted net assets.

NOTE 4 – ACCRUED EXPENSES

Employees of the Center are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation, but not for accumulated sick leave. Accordingly, vacation pay is accrued and recognized as an expense in the period earned by employees. Accrued vacation pay included in accrued expenses was $103,578 at June 30, 2012.

NOTE 5 – SHORT-TERM FINANCING ARRANGEMENTS

During a portion of fiscal 2012, the Center maintained a revolving line of credit in the amount of $475,000 from a financial institution. Amounts drawn on the line of credit are due on demand and bear interest at the prime rate. This arrangement is secured by the Center's deposits with the financial institution, accounts receivable, and property and equipment. This arrangement matured prior to June 30, 2012. Subsequent to June 30, 2012, the arrangement was re-established under substantially the same terms with a maturity date of September 19, 2013.

During fiscal 2012, the Center obtained a short-term promissory note in the amount of $100,000 from a financial institution. This note carried interest at the prime rate less 4% and was set to mature on September 30, 2012. However, prior to June 30, 2012, this promissory note was fully repaid without penalty.

NOTE 6 – LONG-TERM DEBT

Long-term debt is as follows at June 30, 2012:

Mortgage note payable to a financial institution in monthly principal and interest installments of $1,221, secured by building and land on Woodland Street, interest at prime minus 2% (1.25% at June 30, 2012), maturing December 2014.	$ 169,249
Mortgage note payable to an organization in monthly principal and interest installments of $1,960, secured by land, interest at 4.0%, maturing April 2015.	140,436
Mortgage note payable to an organization in monthly principal and interest installments of $1,320, secured by land, interest at 5.0%, maturing September 2012. Subsequent to June 30, 2012, the mortgage note payable was amended extending the maturity until September 2017. Additionally, the interest rate was reduced to 4%.	168,768
	478,453
Less amount shown as current portion	(37,728)
Long-term debt, non-current portion	$ 440,725

NOTE 6 – LONG-TERM DEBT (CONTINUED)

Annual principal maturities of the above obligations are as follows:

Year Ending June 30,	
2013	$ 37,728
2014	40,329
2015	41,603
2016	42,934
2017	44,316
Thereafter	271,543
	$ 478,453

NOTE 7 – CAPITAL ADVANCE

Haley's Park received a capital advance from HUD in order to fund the construction of the multifamily housing apartments in the amount of $1,568,200. Haley's Park is not required to make repayments of this capital advance so long as the housing remains available for very low-income persons with disabilities. The capital advance bears no interest. However, failure of Haley's Park to keep the facility available for disabled persons would result in HUD's billing Haley's Park for the entire capital advance outstanding plus interest since the date of the first advance. Haley's Park recorded the advance as a temporarily restricted contribution. The restriction will not be released prior to the maturity of the capital advance mortgage note agreement.

NOTE 8 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods at June 30, 2012:

Housing for individuals with disabilities - Haley's Park	$ 1,568,200
Property for housing program	778,090
Contributions restricted for infrastructure improvements	148,377
Contributions restricted for programs	26,773
Contributions restricted for center renovation	12,558
	$ 2,533,998

NOTE 8 – RESTRICTIONS ON NET ASSETS (CONTINUED)

Designated net assets of the Center are available for the following purposes at June 30, 2012:

Clubhouse	$ 155,213
Housing	232,366
Future needs	65,346
Board designated endowment	320,160
	$ 773,085

NOTE 9 – BOARD DESIGNATED ENDOWMENT FUND

As required by GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions. The Uniform Prudent Management Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The board of directors has interpreted the UPMIFA as requiring that the Center classify as permanently restricted net assets a) the original value of donor-restricted gifts to the permanent endowment, b) the original value of subsequent donor-restricted gifts to the permanent endowment, and c) accumulations (interest, dividends, capital gain/loss) to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are approved for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. The Center had no donor-restricted gifts to a permanent endowment at June 30, 2012. The board, however, has designated certain assets to serve as an endowment.

Endowment Net Asset Composition by Type of Fund as of June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board designated endowment funds	$ 320,160	$ -	$ -	$ 320,160

Changes in Endowment Net Assets for the fiscal year ended June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 324,411	$ -	$ -	$ 324,411
Investment return:				
Net depreciation (realized and unrealized)	(4,251)	-	-	(4,251)
Endowment net assets, end of year	$ 320,160	$ -	$ -	$ 320,160

NOTE 9 – BOARD DESIGNATED ENDOWMENT FUND (Continued)

The Center has adopted investment and spending policies 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 the endowment assets.

To satisfy its long-term rate-of-return objectives, the Center 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 Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Any expenditures from board designated endowment assets require board approval.

NOTE 10 – PENSION PLAN

The Center has a non-contributory pension and retirement plan covering substantially all of its employees. The plan is a tax-deferred annuity plan with its participants owning all amounts held in their individual accounts. Pension expense for the year ended June 30, 2012 was $90,225.

NOTE 11 – CONCENTRATIONS OF CREDIT RISK

The Center receives a substantial amount of its support from government grants and contracts. In the event of a significant reduction in the level of this support, the Center’s programs and activities could be adversely affected.

The Center maintains its cash and cash equivalents in financial institutions at balances which, at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts. In management’s opinion, risk relating to these deposits is minimal based on the credit ratings of its depositories.

SUPPLEMENTAL INFORMATION

PARK CENTER AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2012

	Park Center	Haley's Park	Consolidating Entries	Consolidated
Assets				
Current assets:				
Cash and cash equivalents	$ 1,636,173	$ 42,316	$ -	$ 1,678,489
Accounts receivable, net	211,657	-	(15,510)	196,147
Grants receivable	309,915	-	-	309,915
Prepaid expenses	15,108	-	-	15,108
Total current assets	2,172,853	42,316	(15,510)	2,199,659
Investments	385,506	-	-	385,506
Property and equipment, net	4,952,537	1,517,988	-	6,470,525
Total assets	$ 7,510,896	$ 1,560,304	$ (15,510)	$ 9,055,690
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued expenses	$ 198,117	$ 31,511	$ (15,510)	$ 214,118
Current portion of long-term debt	37,728	-	-	37,728
Total current liabilities	235,845	31,511	(15,510)	251,846
Long-term debt, net of current portion	440,725	-	-	440,725
Total liabilities	676,570	31,511	(15,510)	692,571
Net assets:				
Unrestricted:				
Undesignated	5,095,443	(39,407)	-	5,056,036
Board designated	773,085	-	-	773,085
Total unrestricted	5,868,528	(39,407)	-	5,829,121
Temporarily restricted	965,798	1,568,200	-	2,533,998
Total net assets	6,834,326	1,528,793	-	8,363,119
Total liabilities and net assets	$ 7,510,896	$ 1,560,304	$ (15,510)	$ 9,055,690

See accompanying notes.

PARK CENTER AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
For the year ended June 30, 2012

	Park Center	Haley's Park	Consolidating Entries	Consolidated
Public support and revenues:				
Public support:				
Grants and contracts	$ 4,569,298	$ 19,918	$ -	$ 4,589,216
Contributions	468,287	-	-	468,287
Total public support	5,037,585	19,918	-	5,057,503
Revenues:				
Rental income	459,344	39,032	-	498,376
Food service fees	17,556	-	-	17,556
Investment and interest loss, net	(571)	24	-	(547)
Other	4,290	-	-	4,290
Total revenues	480,619	39,056	-	519,675
Total public support and revenues	5,518,204	58,974	-	5,577,178
Expenses:				
Program services	3,850,971	80,410	-	3,931,381
Supporting services:				
Management and general	827,088	19,506	-	846,594
Fundraising	105,176	-	-	105,176
Total supporting services	932,264	19,506	-	951,770
Total expenses	4,783,235	99,916	-	4,883,151
Change in net assets	734,969	(40,942)	-	694,027
Net assets - beginning of year	6,099,357	1,569,735	-	7,669,092
Net assets - end of year	$ 6,834,326	$ 1,528,793	$ -	$ 8,363,119

See accompanying notes.