

PARK CENTER
FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
June 30, 2005 and 2004

PARK CENTER
Table of Contents

Independent Auditor's Report.....	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3 – 4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows.....	7
Notes to Financial Statements	8 – 13



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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Park Center

We have audited the accompanying statements of financial position of Park Center (a nonprofit organization) as of June 30, 2005 and 2004, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Center as of June 30, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Frasier, Dean & Howard, PLLC

September 30, 2005

PARK CENTER
STATEMENTS OF FINANCIAL POSITION
June 30, 2005 and 2004

Assets

	<u>2005</u>	<u>2004</u>
Current assets:		
Cash and cash equivalents	\$ 1,023,502	\$ 724,058
Investments	2,780	2,780
Accounts receivable	99,563	125,719
Grants receivable	81,645	48,078
Contributions receivable	6,050	13,050
Prepaid expenses	40,193	43,114
Total current assets	1,253,733	956,799
Property and equipment, net	3,109,295	3,270,974
Contributions receivable, less current installments	-	5,000
Other assets	10,062	3,589
Total assets	<u>\$ 4,373,090</u>	<u>\$ 4,236,362</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable	\$ -	\$ 29,460
Accrued expenses	127,767	143,333
Line of credit	12,612	-
Current installments of long-term debt	35,095	283,381
Total current liabilities	175,474	456,174
Long-term debt, less current installments	283,235	68,254
Total liabilities	458,709	524,428
Net assets:		
Unrestricted:		
Undesignated	3,081,412	2,901,078
Board designated	387,579	387,579
Total unrestricted	3,468,991	3,288,657
Temporarily restricted	445,390	423,277
Total net assets	3,914,381	3,711,934
Total liabilities and net assets	<u>\$ 4,373,090</u>	<u>\$ 4,236,362</u>

See accompanying notes.

PARK CENTER
STATEMENT OF ACTIVITIES
For the year ended June 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenues:			
Public support:			
Grants and contracts	\$ 2,847,158	\$ 50,000	\$ 2,897,158
Contributions	120,888	-	120,888
United Way	49,150	-	49,150
Total public support	<u>3,017,196</u>	<u>50,000</u>	<u>3,067,196</u>
Revenues:			
Rental income	306,927	-	306,927
Food service fees	10,315	-	10,315
Other	58,547	-	58,547
Investment and interest income	6,269	-	6,269
Net assets released from restrictions	27,887	(27,887)	-
Total revenues	<u>409,945</u>	<u>(27,887)</u>	<u>382,058</u>
Total public support and revenues	<u>3,427,141</u>	<u>22,113</u>	<u>3,449,254</u>
Expenses:			
Program services:			
Continuous treatment and vocational rehabilitation	883,985	-	883,985
Supported housing	696,819	-	696,819
Psychosocial rehabilitation	488,796	-	488,796
Housing	613,080	-	613,080
Safe Havens	321,580	-	321,580
Vocational rehabilitation establishment	37,853	-	37,853
TDMHMR supportive employment	61,276	-	61,276
TDHS supportive employment	41,910	-	41,910
Total program services	<u>3,145,299</u>	<u>-</u>	<u>3,145,299</u>
Supporting services:			
Management and general	61,900	-	61,900
Fundraising	39,608	-	39,608
Total supporting services	<u>101,508</u>	<u>-</u>	<u>101,508</u>
Total expenses	<u>3,246,807</u>	<u>-</u>	<u>3,246,807</u>
Change in net assets	180,334	22,113	202,447
Net assets - beginning of year	<u>3,288,657</u>	<u>423,277</u>	<u>3,711,934</u>
Net assets - end of year	<u>\$ 3,468,991</u>	<u>\$ 445,390</u>	<u>\$ 3,914,381</u>

See accompanying notes.

PARK CENTER
STATEMENT OF ACTIVITIES
For the year ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenues:			
Public support:			
Grants and contracts	\$ 2,801,487	\$ -	\$ 2,801,487
Contributions	194,826	-	194,826
United Way	45,007	-	45,007
Total public support	<u>3,041,320</u>	<u>-</u>	<u>3,041,320</u>
Revenues:			
Rental income	284,203	-	284,203
Food service fees	11,396	-	11,396
Other	42,667	-	42,667
Investment and interest income	3,226	-	3,226
Net assets released from restrictions	20,887	(20,887)	-
Total revenues	<u>362,379</u>	<u>(20,887)</u>	<u>341,492</u>
Total public support and revenues	<u>3,403,699</u>	<u>(20,887)</u>	<u>3,382,812</u>
Expenses:			
Program services:			
Continuous treatment and vocational rehabilitation	912,768	-	912,768
Supported housing	803,751	-	803,751
Housing	650,774	-	650,774
Psychosocial rehabilitation	529,475	-	529,475
Safe Havens	286,408	-	286,408
TDMHMR supportive employment	68,459	-	68,459
Vocational rehabilitation establishment	44,129	-	44,129
TDHS supportive employment	40,013	-	40,013
Total program services	<u>3,335,777</u>	<u>-</u>	<u>3,335,777</u>
Supporting services:			
Management and general	82,097	-	82,097
Fundraising	53,304	-	53,304
Total supporting services	<u>135,401</u>	<u>-</u>	<u>135,401</u>
Total expenses	<u>3,471,178</u>	<u>-</u>	<u>3,471,178</u>
Change in net assets	(67,479)	(20,887)	(88,366)
Net assets - beginning of year	<u>3,356,136</u>	<u>444,164</u>	<u>3,800,300</u>
Net assets - end of year	<u>\$ 3,288,657</u>	<u>\$ 423,277</u>	<u>\$ 3,711,934</u>

See accompanying notes.

PARK CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2005

	Program Services						Supporting Services					
	Continuous Treatment & Vocational Rehabilitation	Supported Housing	Psychosocial Rehabilitation	Housing	Safe Havens	Vocational Rehabilitation Establishment	TDMHMR Supportive Employment	TDHS Supportive Employment	Total Program Services	Management and General	Fundraising	Total Expenses
Personnel services	\$ 594,779	\$ 428,506	\$ 184,373	\$ 265,523	\$ 194,154	\$ 30,231	\$ 35,907	\$ 33,119	\$ 1,766,592	\$ 36,636	\$ -	\$ 1,803,228
Payroll taxes	44,322	31,799	13,034	18,815	14,458	2,146	2,655	2,396	129,625	2,720	-	132,345
Fringe benefits	53,410	21,777	23,042	20,087	6,028	3,546	3,580	3,662	135,132	3,886	-	139,018
Total personnel costs	692,511	482,082	220,449	304,425	214,640	35,923	42,142	39,177	2,031,349	43,242	-	2,074,591
Utilities	16,782	27,101	33,567	49,855	13,620	-	-	-	140,925	-	-	140,925
Food and beverage	22,716	22,927	51,035	7,813	11,728	-	3,123	-	119,342	-	-	119,342
Rental assistance	-	37,110	-	79,597	-	-	-	-	116,707	-	-	116,707
Contract services	14,041	36,942	26,248	14,626	18,857	287	708	1,227	112,936	2,296	-	115,232
Insurance	28,799	17,086	14,027	30,077	8,271	954	3,083	429	102,726	3,265	-	105,991
Rental and maintenance	7,850	12,363	18,047	31,713	6,691	-	-	-	76,664	729	-	77,393
Telephone	18,462	4,924	18,758	7,933	3,794	100	672	465	55,108	168	-	55,276
Fundraising - special events	-	-	-	-	-	-	-	-	-	-	39,608	39,608
Program services	22,095	1,655	9,118	3,700	977	20	892	101	38,558	32	-	38,590
Small equipment purchases	3,821	12,034	1,360	17,950	988	-	-	-	36,153	-	-	36,153
Professional fees	9,064	6,146	3,883	11,732	2,653	-	1,147	32	34,657	833	-	35,490
Janitorial supplies	5,002	-	15,814	3,559	963	-	-	-	25,338	-	-	25,338
Office supplies	7,031	5,414	3,991	5,093	1,618	-	689	407	24,243	893	-	25,136
Miscellaneous	392	6,323	10,814	244	107	-	476	-	18,356	459	-	18,815
Interest	-	1,749	-	2,992	-	-	-	-	4,741	8,524	-	13,265
Taxes and licenses	830	4,151	1,092	4,479	840	-	-	-	11,392	-	-	11,392
Vehicle expense	1,520	3,455	303	1,665	1,226	-	417	-	8,586	171	-	8,757
Conferences and meetings	1,584	2,059	856	2,379	247	-	1,059	72	8,256	372	-	8,628
Printing and publications	2,334	616	3,728	596	174	-	64	-	7,512	635	-	8,147
Certifications and accreditations	1,689	1,010	557	257	281	-	-	-	3,794	4	-	3,798
Travel	384	675	782	290	75	-	803	-	3,009	83	-	3,092
Postage and shipping	417	-	1,787	253	4	-	-	-	2,461	194	-	2,655
Medical supplies	580	47	-	119	16	-	-	-	762	-	-	762
Total expense before depreciation	857,904	685,869	436,216	581,347	287,770	37,284	55,275	41,910	2,983,575	61,900	39,608	3,085,083
Depreciation	26,081	10,950	52,580	31,733	33,810	569	6,001	-	161,724	-	-	161,724
Total expenses	\$ 883,985	\$ 696,819	\$ 488,796	\$ 613,080	\$ 321,580	\$ 37,853	\$ 61,276	\$ 41,910	\$ 3,145,299	\$ 61,900	\$ 39,608	\$ 3,246,807

See accompanying notes.

Park Center, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2004

	Program Services							Supporting Services				
	Continuous Treatment & Vocational Rehabilitation	Supported Housing	Housing	Psychosocial Rehabilitation	Safe Havens	TDMHMR Supportive Employment	Vocational Rehabilitation Establishment	TDHS Supportive Employment	Total Program Services	Mgmt and General	Fundraising	Total Expenses
Personnel services	\$ 586,817	\$ 527,862	\$ 284,692	\$ 253,614	\$ 182,294	\$ 40,728	\$ 34,659	\$ 31,720	\$ 1,942,386	\$ 45,992	\$ -	\$ 1,988,378
Payroll taxes	44,494	38,990	20,571	18,764	13,887	3,127	2,647	2,299	144,779	3,452	-	148,231
Fringe benefits	72,275	26,380	28,735	22,003	6,898	3,161	3,336	3,750	166,538	3,829	-	170,367
Total personnel costs	703,586	593,232	333,998	294,381	203,079	47,016	40,642	37,769	2,253,703	53,273	-	2,306,976
Utilities	17,599	32,181	49,500	34,752	11,848	-	-	-	145,880	-	-	145,880
Rental assistance	-	50,574	82,244	-	-	-	-	-	132,818	-	-	132,818
Food and beverage	20,052	32,383	7,772	46,895	14,819	4,885	-	-	126,806	27	-	126,833
Insurance	39,719	12,843	31,553	12,793	7,209	4,463	1,269	329	110,178	2,477	-	112,655
Contract services	19,544	9,588	36,903	16,132	2,631	608	513	1,061	86,980	722	-	87,702
Professional fees	5,032	26,562	20,079	2,007	1,898	1,620	55	5	57,258	1,441	-	58,699
Telephone	19,588	4,153	8,304	19,777	3,081	430	60	413	55,806	333	-	56,139
Fundraising - special events	-	-	-	-	-	-	-	-	-	-	53,304	53,304
Rental and maintenance	7,351	3,951	17,806	10,770	2,639	-	-	-	42,517	204	-	42,721
Program services	25,149	3,193	3,580	7,748	551	200	122	273	40,816	35	-	40,851
Janitorial supplies	6,451	-	5,793	16,773	1,512	-	-	-	30,529	-	-	30,529
In-kind expenses	-	-	-	-	-	-	-	-	-	19,256	-	19,256
Office supplies	8,105	2,841	2,186	3,640	827	159	173	-	17,931	686	-	18,617
Small equipment purchases	3,110	2,374	2,309	3,615	713	-	-	-	12,121	1,958	-	14,079
Taxes and licenses	656	6,892	4,071	912	626	10	-	-	13,167	-	-	13,167
Printing and publications	4,670	1,048	1,691	1,615	-	604	686	-	10,314	605	-	10,919
Vehicle expense	1,226	3,530	2,755	406	1,101	485	-	-	9,503	-	-	9,503
Miscellaneous	1,187	2,329	982	3,199	37	805	-	163	8,702	429	-	9,131
Interest	-	1,763	3,769	-	-	-	-	-	5,532	-	-	5,532
Travel	416	759	2,749	162	-	906	-	-	4,992	113	-	5,105
Conferences and meetings	1,171	1,328	1,250	365	181	378	16	-	4,689	264	-	4,953
Certifications and accreditations	1,262	1,356	147	335	434	-	35	-	3,569	-	-	3,569
Postage and shipping	525	79	151	1,589	23	-	-	-	2,367	274	-	2,641
Medical supplies	769	44	34	-	13	-	-	-	860	-	-	860
Total expense before depreciation	887,168	793,003	619,626	477,866	253,222	62,569	43,571	40,013	3,177,038	82,097	53,304	3,312,439
Depreciation	25,600	10,748	31,148	51,609	33,186	5,890	558	-	158,739	-	-	158,739
Total expenses	\$ 912,768	\$ 803,751	\$ 650,774	\$ 529,475	\$ 286,408	\$ 68,459	\$ 44,129	\$ 40,013	\$ 3,335,777	\$ 82,097	\$ 53,304	\$ 3,471,178

See accompanying notes.

PARK CENTER
STATEMENT OF CASH FLOWS
For the years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Change in net assets	\$ 202,447	\$ (88,366)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	161,724	158,739
Gain on disposal of assets	(33,737)	-
Changes in operating assets and liabilities:		
Accounts receivable	26,156	38,278
Grants receivable	(33,567)	48,978
Contributions receivable	12,000	5,000
Prepaid expenses	2,921	(1,982)
Other assets	(6,473)	-
Accounts payable	(29,460)	(39,657)
Accrued expenses	(15,566)	(7,786)
Net cash provided by operating activities	<u>286,445</u>	<u>113,204</u>
Cash flows from investing activities:		
Proceeds from disposal of assets	48,108	-
Purchase of property and equipment	(14,416)	(326,480)
Net cash provided by (used in) investing activities	<u>33,692</u>	<u>(326,480)</u>
Cash flows from financing activities:		
Payments on long-term debt	(33,305)	(21,552)
Proceeds from line of credit	12,612	-
Proceeds from issuance of long-term debt	-	284,161
Net cash (used in) provided by financing activities	(20,693)	262,609
Net increase in cash and cash equivalents	299,444	49,333
Cash and cash equivalents - beginning of year	<u>724,058</u>	<u>674,725</u>
Cash and cash equivalents - end of year	<u><u>\$ 1,023,502</u></u>	<u><u>\$ 724,058</u></u>
Supplemental disclosure:		
Interest paid	<u><u>\$ 13,265</u></u>	<u><u>\$ 5,532</u></u>

See accompanying notes.

PARK CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

General

Park Center (the “Center”) is a not-for-profit organization that provides psychosocial and vocational rehabilitation services and housing to emotionally and mentally ill individuals in Davidson County, Tennessee.

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. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (“SFAS”) No. 117, *Financial Statements of Not-for-Profit Organizations*. Accordingly, net assets of the Center, and changes therein are classified and reported as follows:

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

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 statements of activities as net assets released from restrictions.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

In accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, 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 statements of activities as unrestricted revenues or expenses, unless specified by the donor.

PARK CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005 and 2004

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

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. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Center uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Management believes that unconditional promises to give are fully collectible as of June 30, 2005 and 2004. As a result, no allowance for uncollectible accounts has been provided.

Donated Goods and Services

The values of donated goods and services meeting the criteria for recognition are recorded as in-kind contributions, with the corresponding expenses recorded, when the fair values of the goods and services are available.

Income Taxes

The Center is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income tax has been made.

Cash and Cash Equivalents

For purposes of the statements 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.

Reclassifications

Certain reclassifications have been made to the 2004 financial statements in order to conform with the 2005 presentation.

PARK CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005 and 2004

NOTE 2 – LAND, BUILDING AND EQUIPMENT

Land, building and equipment are recorded at cost at the date of purchase or fair market value at date of gift. Depreciation of building and equipment is provided over the estimated useful lives of the respective assets (ranging from three to thirty 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 \$500 or greater.

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

	<u>2005</u>	<u>2004</u>
Land and land improvements	\$ 453,478	\$ 453,478
Buildings and building improvements	3,452,791	3,475,291
Equipment	294,570	282,195
Vehicles	93,785	95,720
Furniture	34,561	34,561
Land and land improvements restricted for housing program	<u>22,000</u>	<u>22,000</u>
	4,351,185	4,363,245
Less: accumulated depreciation	<u>(1,241,890)</u>	<u>(1,092,271)</u>
	<u>\$ 3,109,295</u>	<u>\$ 3,270,974</u>

In January 1989, the Center entered into an agreement with the Metropolitan Housing Development Authority, the Tennessee Department of Mental Health and Developmental Disabilities, the Tennessee Department of Human Services, and the U.S. Department of Housing and Urban 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 back to the governmental agencies which provided them. Management currently plans to operate the program for the specified terms of the agreement. The net book values of the houses and land in the amount of \$389,340 and \$405,227 at June 30, 2005 and 2004, respectively, are included as temporarily restricted net assets.

NOTE 3 – 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 \$84,327 and \$74,803 at June 30, 2005 and 2004, respectively.

PARK CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005 and 2004

NOTE 4 – LINE OF CREDIT

The Center has available a \$200,000 revolving line of credit with a financial institution. The agreement provides for interest to accrue at the prime rate. The note has a maturity date of January 31, 2006. No borrowings were outstanding under the agreement at June 30, 2005 and 2004.

The Center also has available a \$35,000 revolving line of credit with Nashville Housing Fund. This loan is used to offset start-up costs of Haley's Park, an entity related to the Center. The agreement states that interest on outstanding balances will be 0% with a maturity date of February 2006. Borrowings outstanding under the agreement at June 30, 2005 and 2004 total \$12,612 and \$0, respectively.

NOTE 5 – LONG-TERM DEBT

Long-term debt is as follows:

	<u>2005</u>	<u>2004</u>
Mortgage note payable to bank in monthly principal and interest installments of \$1,638, secured by land, interest at 4.5% maturing July 2008.	\$ 56,485	\$ 73,144
Mortgage note payable to an organization in monthly principal and interest installments of \$1,960, secured by land, interest at 4.0% maturing April 2010.	249,595	262,843
Installment note payable to finance company in monthly principal and interest installments of \$319, secured by a vehicle, interest at 0%, maturing July 2008.	<u>12,250</u>	<u>15,648</u>
	318,330	351,635
Less amount shown as current	<u>(35,095)</u>	<u>(283,381)</u>
Long-term debt, non-current	<u>\$ 283,235</u>	<u>\$ 68,254</u>

PARK CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005 and 2004

NOTE 5 – LONG-TERM DEBT (Continued)

Annual principal maturities of the above obligation are as follows:

<u>Year Ended June 30,</u>	
2006	\$ 35,095
2007	37,044
2008	38,492
2009	18,460
2010	<u>189,239</u>
	<u>\$ 318,330</u>

NOTE 6 – 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 years ended June 30, 2005 and 2004 was \$56,297 and \$63,834, respectively.

NOTE 7 – IN-KIND CONTRIBUTIONS

The Center received in-kind contributions in the amount of \$9,281 and \$19,256 for a fundraiser during the years ended June 30, 2005 and 2004, respectively. These are included with contributions in the statements of activities.

NOTE 8 – RESTRICTIONS ON NET ASSETS

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

	<u>2005</u>	<u>2004</u>
Property for housing program	\$ 389,340	\$ 405,227
First-time homebuyer's counseling and outreach grant	50,000	-
Unconditional promises to give for future periods	<u>6,050</u>	<u>18,050</u>
	<u>\$ 445,390</u>	<u>\$ 423,277</u>

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

	<u>2005</u>	<u>2004</u>
Clubhouse	\$ 155,213	\$ 155,213
Safe Havens	<u>232,366</u>	<u>232,366</u>
	<u>\$ 387,579</u>	<u>\$ 387,579</u>

PARK CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005 and 2004

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Center receives a substantial amount of its support from a TennCare Behavioral Health Organization. In the event of a significant reduction in the level of this support, the Organization's programs and activities could be affected.

NOTE 10 – CONCENTRATIONS OF CREDIT RISKS

During the fiscal year, the Center's cash and cash equivalent balances exceeded federally insured limits. In management's opinion, the risks relating to the deposits is minimal.

NOTE 11 – CHARITABLE TRUST

The Center has been named as a beneficiary of a charitable remainder trust. Amounts to be received from the trust are not presently determinable. As a result, no amounts have been recorded in the accompanying financial statements related to the charitable remainder trust.