GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
PARK CENTER, INC.

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and Park Center, Inc., hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing units as further defined in the "SCOPE OF PROGRAM." Park Center, Inc. will be adding 26 affordable housing units located at 4501 Gallatin Pike, Nashville, TN 37216. The recipient's budget request, financial statements or audit, 501(c)3 letter, and/or charter documents are incorporated herein. The Recipient is a nonprofit charitable or civic organization.

A. <u>SCOPE OF PROGRAM</u>:

A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a 30-year term. Terms defined in the Declaration shall have the same meanings when used in this Agreement.

A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project submitted in the application and any of its amendments, which application is incorporated herein, and subject to the terms and conditions set forth herein.

A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in their application or proposal for grant funding which is incorporated herein. These funds shall be expended consistent with the Grant Budget, included in Attachment A. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a line-item shall require the prior written approval of Metro. However, in no event will the total amount of the Grant funds provided to Recipient go above the awarded Grant amount of $2,554,066.

Additional Conditions for Rental Properties:

1. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.

2. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances and tenant incomes. The Grantee shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the compliance period.

3. The Grantee will allow Metro or a Metro-approved contractor to conduct on-site inspections of the grantee for compliance Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations and utility allowances.

4. Compliance restrictions on both tenant income and maximum rents shall apply for thirty (30) years from the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the compliance period will begin on the date of recordation of the notice of completion for the project.

5. Recipient shall not increase rents during a lease term.

B. GRANT CONTRACT TERM:

B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed Two Million Five Hundred Fifty-Four Thousand Sixty-Six Dollars ($2,554,066). The Grant Budget, attached and incorporated herein as part of Attachment A, shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

This amount shall constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro.

C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.

C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. **Grant Draws**

Before a draw can be made, there must be a physical inspection of the property by Metro or an approved designee. The inspection must confirm appropriate completion of the project.

1) **Construction Grant Draw Schedule (% based on grant amount)**

- 12.5% - upon receipt of the Building Permit (check property address and contractors name) and Builder's Risk Insurance sufficient to cover cost of construction and confirmation of acquisition (make sure Metro is listed as lien holder)
- 25% - footing framing and foundation completed (25% complete)
- 25% - roofing completed and the plumbing, electric and mechanical are roughed in and approved by local Codes (50% complete)
- 25% - cabinets, counters, drywall, trim and doors are installed (75% complete)

Balance of grant upon receipt of a Final Use & Occupancy from local Codes (100% complete).

All draw requests except for the first 12.5% draw must be inspected before funding.

The above is the preferred draw method. Metro may occasionally fund based on a true percentage of completion as noted in a Construction Inspection report or if the application requested funds for land acquisition, understanding that the initial 12.5% or acquisition draw may overfund the grant, requiring later draws to be reduced.

2) **Construction Grant Draw Process**
   - Draw request is received from the Recipient. It should be requested by the contractor and approved by the Recipient.
   - Complete property inspection
   - Metro or approved designee approves the request.
   - Payments should be made to the Recipient.

All invoices shall be sent to:

Barnes Housing Trust Fund
Planning Department – Housing Division
800 2nd Avenue South
Nashville, TN 37210
(615) 862-7190

Said payment shall not exceed the maximum liability of this Grant Contract.

Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of the end of the Grant Contract. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.

C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.

C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.

C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.

C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.

C. 9. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.

C. 10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.

C. 11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

> This project funded in part by the Barnes Affordable Housing Trust Fund of the Metropolitan Government of Nashville & Davidson County.
>
> Metropolitan Housing Trust Fund Commission
>
> John Cooper, Mayor
>
> Metropolitan Council of Nashville and Davidson County

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.

D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.

D.3. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.

D.4. Subcontracting. The Recipient shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient shall be considered the prime Recipient and shall be responsible for all work performed.

D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

The Grantee also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Covered Persons include immediate family members of any employee or board member of the Grantee. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.7. Records. All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.

Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.

D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.

D.9. Reporting. The Recipient must submit an Interim Program Report, to be received by the Metropolitan Housing Trust Commission / Barnes Housing Trust Fund, by no later than September1, 2023 and a Final Program Report, to be received by the Metropolitan Housing Trust Fund Commission within 45 [forty-five] days of the end of the Grant Contract. Said reports shall detail the outcome of the activities funded under this Grant Contract in the form required by Metro.

D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.

D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.

D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.

D. 13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.

D. 14. Indemnification and Hold Harmless.

(a) Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.

(b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.

(c) Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.

(d) Grantee's duties under this section shall survive the termination or expiration of the grant.

D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.

D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.

D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.

D. 18 Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.

D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D. 20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

D. 21 Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.

D. 22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.

D. 23. Inspection. The Grantee agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.

D. 24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.

D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.

D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

For contract-related matters and enquiries regarding invoices:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
800 2nd Avenue South
Nashville, TN 37210
(615) 862-7190
Ashley.Brown2@Nashville.Gov

Recipient:

Park Center, Inc.
David Langgle-Martin, Director of PSH & Property Development
186 N 1st St
Nashville, TN 37213
615-242-3576 ext. 400
david.langgle-martin@parkcenternashville.org

D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:

a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

D. 28 Effective Date. This contract shall not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract shall be effective as of the date first written above.

(THIS PAGE LEFT INTENTIONALLY BLANK)

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

APPROVED AS TO PROGRAM SCOPE:

____
Gina Emmanuel, Chair,
Metropolitan Housing Trust Fund Commission

APPROVED AS TO AVAILABILITY OF FUNDS:

____
Kelly Flannery, Director
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

____
Assistant Metropolitan Attorney

APPROVED AS TO RISK AND INSURANCE:

____
Director of Risk Management Services

APPROVED BY METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

____
Metropolitan Clerk

RECIPIENT:

Park Center, Inc.

By: _______________________________

Title: Executive Director

Sworn to and subscribed to before me a Notary Public, this 31st day of August, 2022.

SHERMELLE F. MCKAY
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY
MY COMMISSION EXPIRES 5-9-2026

Notary Public

____

My Commission expires May 9, 2026

Total Project Costs	5,310,926		$ 253 per sf
Total Equity	799,765		
Barnes Fund	2,554,066		
CITC	1,957,095		
CITC Rate	2%		
CITC Term	15	yrs	
Annual CITC Pmt	151,129		

BARNES HOUSING TRUST FUND RENTAL BUDGET

Unit Address	4501 Gallatin Pike			
Development Type	Multifamily			
Accessible Bus Line Routes	1 (Route 56)			
Number of Studios	26			
Number of 1 Bedrooms	0			
Number of 2+ Bedrooms	0			
Square Feet Total	17,832			
Square Feet Housing	16,940			
Square Feet Commercial	891			
Number of Stories	3			
Acquisition Costs				
Vacant Land	779,765			
Land with Structure	0			
Title & Recording	5,000			
Legal	15,000			
Total	799,765			
Predevelopment Costs				
Appraisal	2,000			
Survey	5,000			
Testing (Infiltration, etc.)	4,500			
Insurance	4,000			
Architect	52,000			
Engineering/MEP	30,800			
Planning/Zoning	6,000			
Other				
Total	104,300			
Construction Costs	*Housing*	*Commercial*		
Structure	*95%*	*5%*	110%	
Footer/Foundation	91,309	4,806		
Framing	391,323	20,596		
Metalwork	100,000			
Electrical/Lighting	108,080	5,688		

BARNES HOUSING TRUST FUND RENTAL BUDGET

Plumbing	121,124	6,375		
Roofing	86,961	4,577		
HVAC	159,500	15,000		
Drywall/Insulation/Tile	168,916	8,890		
Paint/Stain	95,036	5,002		
Windows/Doors/Trim/Interior Doors	136,191	15,000		
Floor Coverings	70,811	3,727		
Cabinets/Countertops	137,500			
Hardware/Glass/Mirror	23,538	3,000		
Brick/Siding	111,807	5,885		
Elevator	100,000			
Sub-Total	1,802,095	98,546		
Other				
Site Work	700,000			
Appliances	45,000			
Survey & Inspection	20,000			
Side Walks/Driveways/Dumpster	135,000			
Landscaping	60,000			
Utility Hookups	50,000			
Building Permits/Fees	12,000			
Furniture	71,000			
Demolition	15,000			
Fees				
Materials and Labor Market Contingency Cost Overrun	276,210			
Sub-Total	1,384,210			
Construction Contingency	493,591			
Profit (if organization has own construction crew)	378,420			
Sub-Total	872,010			
Total Construction Cost	**4,962,380**	**98,546**		

BARNES HOUSING TRUST FUND RENTAL BUDGET

Cost per Unit	190,861			
Developer's Fee (capped at 20%)	250,000			
Total Cost/Unit	200,476			

BARNES HOUSING TRUST FUND RENTAL BUDGET

BARNES HOUSING TRUST FUND RENTAL BUDGET

BARNES HOUSING TRUST FUND RENTAL BUDGET

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

	Annual Inflation Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
REVENUE										
Gross Rent		336,648	346,747	357,150	367,864	378,900	390,267	401,975	414,035	426,456
Vacancy Rate (5%)		-16,832	-17,337	-17,857	-18,393	-18,945	-19,513	-20,099	-20,702	-21,323
Adjusted Gross Income		319,816	329,410	339,292	349,471	359,955	370,754	381,877	393,333	405,133
Other Income		0	0	0	0	0	0	0	0	0
Operational Subsidies		0	0	0	0	0	0	0	0	0
Gross Income		**319,816**	**329,410**	**339,292**	**349,471**	**359,955**	**370,754**	**381,877**	**393,333**	**405,133**
Operating Expenses										
Administrative		-28,783	-29,647	-30,536	-31,452	-32,396	-33,368	-34,369	-35,400	-36,462
Maintenance/Upkeep		-23,400	-24,336	-25,309	-26,322	-27,375	-28,470	-29,608	-30,793	-32,025
Utilities/Trash		-26,000	-27,040	-28,122	-29,246	-30,416	-31,633	-32,898	-34,214	-35,583
Taxes										
Insurance		-8,000	-8,320	-8,653	-8,999	-9,359	-9,733	-10,123	-10,527	-10,949
Legal		-5,200	-5,408	-5,624	-5,849	-6,083	-6,327	-6,580	-6,843	-7,117
Advertising										
Supplies		-20,800	-21,632	-22,497	-23,397	-24,333	-25,306	-26,319	-27,371	-28,466
Exterminating		-7,800	-8,112	-8,436	-8,774	-9,125	-9,490	-9,869	-10,264	-10,675
Other										
Total Operating Expense		**-119,983**	**-124,495**	**-129,178**	**-134,040**	**-139,087**	**-144,327**	**-149,766**	**-155,413**	**-161,275**
Reserve for Replacement		-15,600	-16,068	-16,550	-17,047	-17,558	-18,085	-18,627	-19,186	-19,762
Net Operating Income		**184,232**	**188,847**	**193,564**	**198,385**	**203,310**	**208,343**	**213,483**	**218,734**	**224,096**
DEBT SERVICE - Sources										
CITC		-151,129	-151,129	-151,129	-151,129	-151,129	-151,129	-151,129	-151,129	-151,129
Total Debt Service		-151,129	-151,129	-151,129	-151,129	-151,129	-151,129	-151,129	-151,129	-151,129
Debt Coverage Ratio		1.22	1.25	1.28	1.31	1.35	1.38	1.41	1.45	1.48
Operating Reserve	3%	-7,800	-8,034	-8,275	-8,523	-8,779	-9,042	-9,314	-9,593	-9,881
TOTAL CASH FLOW		**25,303**	**29,684**	**34,160**	**38,732**	**43,402**	**48,171**	**53,041**	**58,012**	**63,086**

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

	Annual Inflation Rate	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19
REVENUE										
Gross Rent	3%	452,427	466,000	479,980	494,379	509,210	524,487	540,221	556,428	573,121
Vacancy Rate (5%)		-22,621	-23,300	-23,999	-24,719	-25,461	-26,224	-27,011	-27,821	-28,656
Adjusted Gross Income		429,805	442,700	455,981	469,660	483,750	498,262	513,210	528,606	544,465
Other Income		0	0	0	0	0	0	0	0	0
Operational Subsidies		0	0	0	0	0	0	0	0	0
Gross Income		**429,805**	**442,700**	**455,981**	**469,660**	**483,750**	**498,262**	**513,210**	**528,606**	**544,465**
Operating Expenses										
Administrative	3%	-38,682	-39,843	-41,038	-42,269	-43,537	-44,844	-46,189	-47,575	-49,002
Maintenance/Upkeep	4%	-34,638	-36,023	-37,464	-38,963	-40,521	-42,142	-43,828	-45,581	-47,404
Utilities/Trash	4%	-38,486	-40,026	-41,627	-43,292	-45,024	-46,825	-48,698	-50,645	-52,671
Taxes										
Insurance	4%	-11,842	-12,316	-12,808	-13,321	-13,853	-14,408	-14,984	-15,583	-16,207
Legal	4%	-7,697	-8,005	-8,325	-8,658	-9,005	-9,365	-9,740	-10,129	-10,534
Advertising										
Supplies	4%	-30,789	-32,021	-33,301	-34,634	-36,019	-37,460	-38,958	-40,516	-42,137
Exterminating	4%	-11,546	-12,008	-12,488	-12,988	-13,507	-14,047	-14,609	-15,194	-15,801
Other										
Total Operating Expense		**-173,681**	**-180,241**	**-187,052**	**-194,124**	**-201,466**	**-209,090**	**-217,005**	**-225,223**	**-233,756**
Reserve for Replacement	3%	-20,965	-21,594	-22,242	-22,909	-23,596	-24,304	-25,033	-25,784	-26,558
Net Operating Income		**235,160**	**240,864**	**246,686**	**252,627**	**258,687**	**264,868**	**271,172**	**277,599**	**284,150**
DEBT SERVICE - Sources										
CITC		-151,129	-151,129	-151,129	-151,129	-151,129				
Total Debt Service		-151,129	-151,129	-151,129	-151,129	-151,129				
Debt Coverage Ratio		1.56	1.59	1.63	1.67	1.71				
Operating Reserve	3%	-10,483	-10,797	-11,121	-11,455	-11,798	-12,152	-12,517	-12,892	-13,279
TOTAL CASH FLOW		**73,548**	**78,938**	**84,436**	**90,043**	**95,760**	**252,716**	**258,655**	**264,707**	**270,871**

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

Year 10
439,249
-21,962
417,287
0
0
417,287
-37,556
-33,305
-37,006
-11,386
-7,401
-29,605
-11,102
-167,362
-20,354
229,571
-151,129
-151,129
1.52
-10,177
68,264

Year 20
590,314
-29,516
560,799
0
0
560,799
-50,472
-49,300
-54,778
-16,855
-10,956
-43,822
-16,433
-242,617
-27,355
290,827
-13,677
277,150

Park Center
Recovery From Mental Illness

BY-LAWS
Of
PARK CENTER

ARTICLE I. Name and Address

The name of this facility shall be Park Center, hereafter referred to as the "Agency". It is a private not-for-profit corporation. The principal office shall be located at 801 12^{th} Avenue South, Nashville, Tennessee, 37203. The Agency may also have other offices at such other locations as the purpose of the Agency requires.

ARTICLE II. Objective

The Agency is a conduit to restore hope, provide opportunities and promote recovery of persons with mental illness and co-occurring disorders through holistic services that focus on their needs, choices, and strengths. The Agency accomplishes these goals by providing psychiatric rehabilitation services for adults with mental illness and co-occurring disorders. The Agency maintains programs designed to further the needs of this population – including, but not limited to, psycho-social rehabilitation, peer support, housing, employment, and homeless outreach.

ARTICLE III. Membership

Members of the Board of Directors shall constitute membership of the Agency.

ARTICLE IV. Board of Directors

A. Composition of the Board of Directors. There shall be at least twenty-one (21) board members. Directors shall be of adult age. Directors shall be chosen with due respect for geographic, minority and racial distribution, variety of professions and areas of interest. At least two-thirds (2/3) of Directors shall at all times consist of persons not professionally engaged in the mental health field. The Board Governance Committee shall make an analysis of the Board's composition and insure that there is a cross-section of community representation.

B. Election. Candidates for membership shall be selected from among those nominated by the Board Governance Committee, which shall consist of five (5) Board members at least thirty days (30) prior to the Annual Meeting. The first Board Governance Committee shall be appointed by the Chairman. Thereafter, the Board Governance Committee shall be elected by the Board. Additional candidates for membership may be nominated by any member of the Board at the Annual Meeting. Candidates for positions on the Board may also be nominated by any member of the Board at the Annual Meeting. Board members shall be elected by a majority vote of Board members at the Annual Meeting.

C. Terms. Directors shall serve for a renewable period of three years. The Board Governance Committee will establish criteria for reviewing Board member qualifications, potential conflicts of interests and assessing the contributions of current directors in connection with their re-nomination. The Board Governance Committee will evaluate each Board member upon the expiration of their three year term. The Board Governance Committee shall consult with the Executive Committee prior to any recommendation to add or terminate Board members.

D. Vacancies. Any vacancies among the Board of Directors by reason of death, resignation, the inability to act, or any other circumstance, may be filled for the unexpired portion of the term by the Board at any meeting of the Board of Directors. If a person is elected to fill a vacancy on the Board, eligibility for re-election is not affected.

E. General Powers. The Board of Directors shall constitute the governing body of the Agency. The Board shall have power to control, conduct and manage the property and affairs and business of the Agency and all Agency power shall be vested in said Board except such power as the Board may delegate to the officers of the Agency and to the professional staff in carrying out their professional functions.

F. Meetings. Meetings of the Board of Directors shall be held at least four (4) times each year. The Chairman of the Board may designate additional meeting dates. These meetings may be called by the Chairman upon notice in person, by letter, by telephone, e-mail or fax. Meetings of the Board may also be called upon the written request of five (5) members of the Board of Directors. Said request is to be given to the Chairman by letter, delivered in person or by U.S. Mail.

G. Annual Meeting. A meeting during the month of October shall be designated as the "Annual Meeting," unless the Board designates a different month. New members of the Board of Directors shall be elected by a majority vote of other Board members and other formal annual business conducted at the Annual Meeting. Notice of the Annual Meeting shall be given at least thirty (30) days prior to the meeting.

H. Quorum. A quorum shall be one-third (1/3) of the Directors.

I. Voting. Except as otherwise provided in these By-Laws, all matters shall be decided by a majority vote of members of the Board of Directors. Proxy voting may be allowed if the Director sends notice to the President/CEO or Chairman at least twenty-four hours prior to the next scheduled Board meeting.

J. Committees. Standing committees of the Agency shall be the Executive Committee, the Human Resources Committee (formerly the Personnel Committee), Risk Management Committee, Quality Committee, and the Board Governance Committee. The Board of Directors may authorize and appoint other committees it deems necessary to help carry out its functions.

K. Compensation. No Board member, Advisory Board member or officer shall be paid for any services rendered to this Agency and no funds of the Agency shall be loaned to any Board member, Advisory Board member, or officer.

ARTICLE V. Advisory Board

An Advisory Board may be established at the discretion of the Board of Directors and shall perform whatever duties the Board may deem necessary to help carry out the functions of the Board, the Agency or both.

A. Composition of the Advisory Board. The Advisory Board shall consist of at least six (6) members. Advisory Board members shall be of adult age and shall include participants in the Agency's programs and/ or their family members as well as other community stakeholders.

B. Election. Candidates for membership on the Advisory Board shall be appointed by a majority vote of participating members of the Board of Directors by phone, email or written confirmation.

C. Terms. Each Advisory Board member may serve a maximum of one year after which time, he/ she may be reappointed at the discretion of the Board.

ARTICLE VI. Officers

A. Officers. The Board of Directors shall have a Chairman, one or more vice-Chairmen, a Secretary, a Treasurer, and such other officers as the Board of Directors may from time to time elect.

B. Duties of Officers.

1. The Chairman shall preside at all meetings of the Board and Executive Committee. The Chairman or the President shall sign all certificates, contracts and other instruments of the Agency as authorized by the Board of Directors. The Chairman shall make regular reports to the Board and shall perform whatever duties the Board may from time to time assign. The Chairman shall may as an ex-officio member of all committees. The Chairman shall be an ex-officio member of the Executive Committee for a period of one (1) year following expiration of his/her term of office.

2. The Vice-Chairman shall perform the duties of the Chairman in the event of his/ her absence, inability to perform duties, or resignation. The Vice-Chairman shall perform such other duties as the Board may from time to time assign.

3. The Secretary shall be responsible for the minutes and records of the meeting of the Board of Directors and the Executive Committee and shall perform such

other duties as prescribed by the Board. The Secretary will also have oversight for the preparation of correspondence written on behalf of the Board of Directors and the Executive Committee. The Secretary shall perform such other duties as the Board may from time to time assign

4. The Treasurer shall serve as a consultant to the President/CEO in matters of financial management. The Treasurer shall work with the Finance Director to oversee: 1) the collection and disbursement of funds; 2) preparation of financial statements; 3) preparation of annual budget 4) such other reports and accounts of the financial condition of the Agency as may from time to time be requested by the Board, 5) will chair the Finance Committee. The Treasurer will report financial condition to the Board on a bi-monthly basis.

C. Executive Committee. The Executive Committee shall consist of the Officers of the Board, the immediate past Chairman and two additional members of the Board, appointed by the Chairman and subject to Board approval. Between meetings of the Board of Directors, the Executive Committee shall have and may exercise in the absence of specific direction by the Board of Directors, all powers of the Board and shall regularly report its actions to the Board. The Executive Committee shall convene as needed.

D. Terms. Each officer shall take office upon their election and shall serve a term of one year or until their successors have been elected. The Chairman may serve no more than two consecutive one –year terms.

E. Vacancies. Vacancies among the officers shall be filled for the unexpired term by the Board of Directors at any regular meeting by a majority vote except that the Chairman of the Board of Directors may appoint members to fill any vacancies in the Executive Committee upon approval by the Board at any meeting of the Board.

ARTICLE VII. Staff

A. President/CEO. The President/CEO is responsible for administering the program of the Agency. The President/CEO shall be chosen and employed by the Board of Directors from among applicants screened and recommended by the Human Resource Committee. The President/CEO shall hire such other employees as the Board of Directors deems advisable; shall have the power to remove all employees subject to the Personnel Policies of the agency; and shall coordinate, supervise and have charge of all of the programs and business administration of the organization, subject to specific action by the Board of Directors. The President/CEO shall meet with and advise the Board, the Executive Committee and all committees as necessary. The President/CEO shall not be a member nor have a vote in these bodies. If for any reason the President/ CEO is unable to perform his/ her functions, the Director of Quality & Operations, shall act as interim President/CEO. In the event the Director of Quality & Operations is unable to act in this role, the role of interim President/CEO shall be determined by the Board of Directors based upon the recommendations of the Human Resource Committee.

B. Human Resource Committee. The Human Resource Committee shall work with the President/CEO in establishing positions; formulating job descriptions; setting up salary scales; establishing and implementing grievance procedures; and in developing personnel policies as applied to all employees and recommend to the Board of Directors for approval. The Human Resource Committee, in consultation with the Executive Committee, shall annually evaluate the President/CEO.

C. Hiring Policies. Hiring shall be conducted in full compliance with the Agency's anti-discrimination policy.

ARTICLE VIII. Finances

A. Fiscal Year. The Board shall establish the Agency's fiscal year.

B. Funds. All funds received by the Agency shall be credited to the Agency and placed in depositories approved by the Board of Directors. All checks drawn by the Agency shall be signed by the President/CEO, Psychiatric Rehabilitation Director, Housing Director, Chairman or Treasurer. Any check over $2500 shall require two of the signatures noted above. The Board of Directors must approve any borrowed funds and at that time will authorize the President/CEO to sign for those borrowed funds. The accounts of the Agency shall be audited annually after the close of the fiscal year.

ARTICLE IX. Parliamentary Procedures

Robert's Rules of Order shall govern the meetings of the Board of Directors and the committees of the Agency in all cases in which they are applicable and in which they are not inconsistent with these By-Laws.

ARTICLE X. Amendments of the By-Laws

The By-Laws of the Agency may be altered or changed at any regular or special meeting of the Board of Directors by a two-thirds (2/3) vote of the Board of Directors of record. All proposed amendments shall be submitted in writing to the Board of Directors at least thirty (30) days prior to the regular or special meeting at which these proposals are to be considered.

ARTICLE XI. Disposal of Assets in Event of Dissolution

Should the Agency for any reason cease to operate, all assets at that time shall be donated to a not-for-profit, eleemosynary organization qualifying for exemption purposes specified in Section 501 (c) of the Internal Revenue Code. The preference shall be given to agencies working in the field of mental health during the selection of such an agency. The choice of such an agency shall be determined by a majority vote of the Board members of record at the time of such dissolution.

PARK CENTER

By-Laws Revision

Effective Date

The Constitution and By-Laws as amended and restated were approved by the Park Center Board of Directors at its meeting dated the 30th day of July 2019 and are effective as of the date of approval.

Chair, Board of Directors

Secretary, Board of Directors

Internal Revenue Service

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date: May 13, 2002

Park Center
801 12th Ave. S
Nashville, TN 37203

Person to Contact:
Andrea Switser 31-00972
Customer Service Specialist
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
62-1336640

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in September 1989 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than $25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of $20 a day, up to a maximum of $10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Park Center
62-1336640

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of $20 a day for each day you do not make these documents available for public inspection (up to a maximum of $10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

John E. Ricketts

John E. Ricketts, Director, TE/GE
Customer Account Services

Proudly serving the Nashville-Davidson County community since 1984

Mission Statement: Park Center empowers people who have mental illness and substance use disorders to live and work in their communities.

Programs:

Permanent Supportive Housing – affordable housing with ongoing, flexible, and voluntary supportive services designed to promote housing stability, health, and community integration following the evidence-based Housing First model

Homeless Outreach – street outreach, street medicine, housing navigation, and expedited access to disability benefits

Addiction Treatment – Intensive Outpatient and Outpatient recovery groups and individual counseling

Supported Employment – intensive support with obtaining and maintaining a job using the evidence-based Individual Placement and Supports model

Psychosocial Rehabilitation – day program focused on building social, recovery, and life skills

Supported Housing – transitional housing offering 24/7 on-site staff support with a focus on building independent living and recovery skills

PARK CENTER, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2021 and 2020

And Report of Independent Auditor

Cherry Bekaert LLP

CPAs & Advisors

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Park Center, Inc. and Affiliate
Nashville, Tennessee

We have audited the accompanying consolidated financial statements of Park Center, Inc. (a nonprofit organization) and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Park Center, Inc. and Affiliate as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 19 through 22 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Cherry Bekaert LLP

Nashville, Tennessee
February 4, 2022

PARK CENTER, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 6,213,522	$ 6,971,172
Accounts receivable	314,115	145,044
Grants and fees receivable	584,860	656,448
Prepaid expenses	121,642	73,410
Total Current Assets	7,234,139	7,846,074
Investments	954,663	793,631
Property and equipment, net	11,338,311	11,570,957
Total Assets	$ 19,527,113	$ 20,210,662
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	$ 528,590	$ 764,243
Current portion of long-term debt	11,870	11,406
Deferred revenue	-	732,590
Total Current Liabilities	540,460	1,508,239
Long-term debt, net of current portion	69,258	81,088
Total Liabilities	609,718	1,589,327
Net Assets:		
Without Donor Restrictions:		
Undesignated	14,811,909	15,123,147
Board designated	1,333,891	1,172,864
Total Without Donor Restrictions	16,145,800	16,296,011
With donor restrictions	2,771,595	2,325,324
Total Net Assets	18,917,395	18,621,335
Total Liabilities and Net Assets	$ 19,527,113	$ 20,210,662

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues:			
Public Support:			
Grants and contracts	$ 4,972,253	$ -	$ 4,972,253
Contributions	481,018	528,696	1,009,714
In-kind donations	380	-	380
Total Public Support	5,453,651	528,696	5,982,347
Revenues:			
Rental income	625,139	-	625,139
Food service fees	305	-	305
Investment return, net	190,188	-	190,188
Other	330	-	330
Total Revenues	815,962	-	815,962
Net assets released from restrictions	82,425	(82,425)	-
Total Public Support, Revenues	6,352,038	446,271	6,798,309
Expenses:			
Program services	5,171,744	-	5,171,744
Supporting Services:			
Management and general	1,132,246	-	1,132,246
Fundraising	198,259	-	198,259
Total Supporting Services	1,330,505	-	1,330,505
Total Expenses	6,502,249	-	6,502,249
Change in net assets	(150,211)	446,271	296,060
Net assets, beginning of year	16,296,011	2,325,324	18,621,335
Net assets, end of year	$ 16,145,800	$ 2,771,595	$ 18,917,395

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues:			
Public Support:			
Grants and contracts	$ 4,209,422	$ -	$ 4,209,422
Contributions	384,501	114,647	499,148
In-kind donations	51,900	-	51,900
Total Public Support	4,645,823	114,647	4,760,470
Revenues:			
Rental income	803,007	-	803,007
Food service fees	9,211	-	9,211
Investment return, net	31,312	-	31,312
Other	105,556	-	105,556
Total Revenues	949,086	-	949,086
Net assets released from restrictions	49,908	(49,908)	-
Gain on property transactions (Note 6)	10,047,646	-	10,047,646
Total Public Support and Revenues	15,692,463	64,739	15,757,202
Expenses:			
Program services	5,141,066	-	5,141,066
Supporting Services:			
Management and general	973,833	-	973,833
Fundraising	201,207	-	201,207
Total Supporting Services	1,175,040	-	1,175,040
Total Expenses	6,316,106	-	6,316,106
Change in net assets	9,376,357	64,739	9,441,096
Net assets, beginning of year	6,919,654	2,260,585	9,180,239
Net assets, end of year	$ 16,296,011	$ 2,325,324	$ 18,621,335

The accompanying notes to the consolidated financial statements are an integral part of this statement.

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Expenses
Personnel services	$ 2,931,430	$ 639,050	$ 120,338	$ 3,690,818
Fringe benefits	365,739	64,779	11,846	442,364
Payroll taxes	211,020	47,490	8,564	267,074
Total Personnel Costs	3,508,189	751,319	140,748	4,400,256
Rental and maintenance	259,333	20,946	5,025	285,304
Utilities	188,049	13,896	1,300	203,245
Professional fees	47,503	133,301	133	180,937
Small equipment purchases	149,552	9,787	48	159,387
Member expenses	151,550	-	-	151,550
Program services	88,613	38,358	5,925	132,896
Insurance	51,721	58,681	363	110,765
Telephone	69,748	5,810	2,437	77,995
Travel	55,845	13,740	61	69,646
Rent	53,495	-	-	53,495
Program supplies	47,527	616	120	48,263
Contract services	45,046	1,311	-	46,357
Taxes and licenses	33,427	11,214	1,692	46,333
Food and beverage	37,281	309	448	38,038
Special events	-	-	23,694	23,694
Certifications and accreditations	3,974	17,431	1,775	23,180
Janitorial supplies	18,508	2,792	263	21,563
Miscellaneous	8,581	6,649	2,958	18,188
Office supplies	11,278	1,769	748	13,795
Vehicle expense	10,785	-	-	10,785
Printing and publications	3,612	890	4,517	9,019
Interest	3,493	-	-	3,493
Postage and shipping	870	1,732	399	3,001
Medical supplies	1,283	-	-	1,283
Total Expense Before Depreciation	4,849,263	1,090,551	192,654	6,132,468
Depreciation	322,481	41,695	5,605	369,781
Total Expenses	$ 5,171,744	$ 1,132,246	$ 198,259	$ 6,502,249

PARK CENTER, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Personnel services	$ 2,656,548	$ 607,813	$ 115,136	$ 3,379,497
Fringe benefits	309,119	64,778	19,455	393,352
Payroll taxes	193,890	40,980	8,025	242,895
Total Personnel Costs	3,159,557	713,571	142,616	4,015,744
Rental and maintenance	542,767	30,002	9,163	581,932
Utilities	233,795	-	-	233,795
Professional fees (including in-kind of $51,900)	109,491	97,874	6,229	213,594
Interest	150,144	-	-	150,144
Member expenses	114,947	550	-	115,497
Insurance	41,469	64,995	-	106,464
Rent	78,600	1,000	14,625	94,225
Telephone	66,710	20,112	2,965	89,787
Food and beverage	56,610	4,745	10,375	71,730
Taxes and licenses	54,858	137	501	55,496
Program supplies	46,928	4,580	2,797	54,305
Travel	46,254	4,123	745	51,122
Program services	40,639	600	-	41,239
Miscellaneous	4,581	22,902	2,103	29,586
Office supplies	17,127	4,432	661	22,220
Janitorial supplies	18,847	-	-	18,847
Small equipment purchases	16,347	-	-	16,347
Certifications and accreditations	16,035	-	-	16,035
Printing and publications	2,642	1,461	5,620	9,723
Vehicle expense	5,475	-	-	5,475
Contract services	2,541	1,845	-	4,386
Postage and shipping	534	904	2,807	4,245
Medical supplies	3,340	-	-	3,340
Total Expense Before Depreciation	4,830,238	973,833	201,207	6,005,278
Depreciation	310,828	-	-	310,828
Total Expenses	$ 5,141,066	$ 973,833	$ 201,207	$ 6,316,106

The accompanying notes to the consolidated financial statements are an integral part of this statement.

PARK CENTER, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 296,060	$ 9,441,096
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	369,781	310,828
Net realized and unrealized gain on investments	(159,992)	(17,334)
(Gain) loss on property transactions	-	(10,047,646)
Changes in operating assets and liabilities:		
Accounts receivable	(169,071)	29,808
Grants receivable	71,588	74,350
Prepaid expenses	(48,232)	4,395
Accounts payable and accrued expenses	(235,653)	214,663
Deferred revenue	(732,590)	718,080
Net cash flows from operating activities	(608,109)	728,240
Cash flows from investing activities:		
Proceeds from sale of investments	290,648	104,002
Purchases of investments	(291,688)	(101,406)
Proceeds from property transactions	-	10,483,421
Purchases of property and equipment	(137,135)	(131,635)
Net cash flows from investing activities	(138,175)	10,354,382
Cash flows from financing activities:		
Payments on long-term debt	(11,366)	(7,090,008)
Net cash flows from financing activities	(11,366)	(7,090,008)
Change in cash and cash equivalents	(757,650)	3,992,614
Cash and cash equivalents, beginning of year	6,971,172	2,978,558
Cash and cash equivalents, end of year	$ 6,213,522	$ 6,971,172
Supplemental disclosure:		
Interest paid	$ 3,493	$ 150,144

Note 1—Nature of organization and significant accounting policies

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

The Organization 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 and 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. The Organization provides management services for Haley's Park and the Organization's Board of Directors maintains the ability to approve the directors of Haley's Park.

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

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

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center's management and the Board of Directors. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors. Presently, net assets designated by the board are for future needs and the benefits of certain programs.
>
> *Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions represent amounts available for specified projects.

Cash and Cash Equivalents – 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, 2021 and 2020.

Note 1—Nature of organization and significant accounting policies (continued)

Investments – The Center accounts for investments in accordance with U.S. GAAP. 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 consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities as revenues or expenses without donor restrictions, 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 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. U.S. 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.

Contributions – 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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restrictions are reported as increases in net assets with donor restrictions based on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated Services – Amounts are reported in the consolidated 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 fundraising efforts that have not been reported in the accompanying consolidated financial statements because the services do not create or enhance nonfinancial assets and no objective basis is available to measure the value of such volunteer time.

Functional Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements 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.

Note 1—Nature of organization and significant accounting policies (continued)

Estimates – The preparation of consolidated financial statements in conformity with U.S. 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 consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – The Center is 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. Management believes the Center continues to satisfy the requirements of a tax-exempt organization as of June 30, 2021.

Unemployment Claims – Rather than providing for future unemployment claims by paying the state unemployment insurance tax, the Center has elected to be a reimbursing employer. Reimbursing employers pay actual approved claims as they occur, plus an administrative fee. The Center is not currently aware of any pending claims.

Adoption of New Accounting Pronouncements – In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606).* ASU 2014-09 clarifies the principles for recognizing revenue and develops a common revenue standard under U.S. GAAP under which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for the Center for the year ending June 30, 2021. The Center adopted the provisions of ASU 2014-09 as of July 1, 2020 using a modified retrospective approach, which resulted in no cumulative effect adjustment to net assets as of July 1, 2020. There was no change in the timing and amount of revenue recognition as a result of the adoption of the ASU. (See Note 2.)

Forthcoming Accounting Pronouncements – In February 2016, FASB issued ASU 2016-02, *Leases*. This guidance introduces a lessee model that brings substantially all leases on the consolidated statements of financial position. This guidance is effective for the year ending June 30, 2023. The Center is evaluating the impact this guidance may have on its consolidated financial statements.

Note 2—Revenue recognition

As discussed in Note 1, on July 1, 2020, the Center adopted Accounting Standards Codification (“ASC”) 606 using the modified retrospective approach. The Center determined that there was no cumulative effect adjustment to net assets upon adoption of the new revenue standard as of July 1, 2020. Under ASC 606, revenue is recognized when the Center performs services for a customer in an amount that reflects consideration that is expected to be received for those services.

Performance Obligations and Revenue Recognition – A performance obligation is a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue, when or as, the performance obligation is satisfied. The contract obligation for treatment services reimbursed through certain fee for service grants and managed care income is recognized at the time these services are provided to the customer.

Note 2—Revenue recognition (continued)

Treatment services – A portion of the Center's revenue is derived by providing services to eligible individuals under grant agreements and insurance fee agreements. Due to the nature of these transactions, there is no variable consideration and only one performance obligation. Such revenue is conditioned upon meeting a certain performance obligation, and amounts received are recognized once the requirement has been met. Once the service is performed, the performance obligation is considered to have been met. Those transactions are considered contracts with customers as they have commercial substance through the transaction of cash payment in return for the service purchased.

Disaggregation of Revenue – See the accompanying consolidated statements of activities.

Note 3—Liquidity and availability of resources

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use within one year of the consolidated statements of financial position comprise the following at June 30:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	$ 6,213,522	$ 6,971,172
Accounts receivable	314,115	145,044
Grants receivable	584,860	656,448
Investments	954,663	793,631
Total financial assets	8,067,160	8,566,295
Less amounts not available to be used for general expenditures within one year:		
Net assets subject to Board designations	1,333,891	1,172,864
Net assets subject to donor restrictions	629,507	176,426
Total amounts not available to be used for general expenditures within one year	1,963,398	1,349,290
Financial assets available to meet cash needs for general expenditures within one year	$ 6,103,762	$ 7,217,005

Although the Organization has designated net assets for certain purposes (as described in Note 12), these amounts could be made available if necessary. As described in Note 9, the Organization also has a line of credit that is available for general operating needs.

Note 4—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:

	2021	2020
Short-term investments	$ 189,310	$ 196,424
Exchange traded funds	34,721	-
Mutual funds:		
Intermediate-term bond funds	161,337	164,472
Large growth funds	141,365	73,060
Large value funds	127,282	61,420
Small cap blend funds	86,997	-
Foreign large blend funds	80,994	48,612
Mid-cap blend funds	60,643	41,182
Multi-sector bond funds	36,318	60,067
Short-term bond funds	35,696	61,696
Small blend funds	-	29,655
Real estate funds	-	27,268
Alternative strategies funds	-	29,775
	$ 954,663	$ 793,631

The following schedule summarizes investment income in the consolidated statements of activities for the years ended June 30:

	2021	2020
Interest and dividend income (including interest on cash and cash equivalents)	$ 30,196	$ 13,978
Net unrealized and realized gain on investments	159,992	17,334
	$ 190,188	$ 31,312

Note 5—Property and equipment

Property and equipment are recorded at cost at the date of purchase or fair value at date of gift. Depreciation of property 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.

Depreciation expense amounted to $369,781 and $310,828, respectively, for the years ended June 30, 2021 and 2020.

Note 5—Property and equipment (continued)

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

	2021	2020
Land and land improvements	$ 3,647,258	$ 3,647,258
Buildings and building improvements	11,006,120	11,017,490
Equipment and furniture	285,063	196,797
Vehicles	146,164	139,673
	15,084,605	15,001,218
Less accumulated depreciation	(3,746,294)	(3,430,261)
	$ 11,338,311	$ 11,570,957

In January 1989, the Center entered into an agreement with the Metropolitan Development and Housing Agency, the Tennessee Department of Mental Health and Substance Abuse Services, the Tennessee Department of Human Services, and HUD, 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 20 to 30 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 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 20 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.

The net asset value of the buildings, building improvements, and land acquired under these agreements in the amount of $573,888 and $580,698 at June 30, 2021 and 2020, respectively, is included as net assets with donor restrictions.

The Haley's Park buildings and improvements are located on five acres of land leased by the Organization from the state of Tennessee through the year 2078 for a minimal fee. The Organization does not charge rent to Haley's Park.

Note 6—Property transactions

Effective June 21, 2018, the Center entered into an agreement to sell the property located at 801 12th Avenue South, Nashville, Tennessee. Effective January 15, 2020, the property was sold for $13,500,000, net of related expenses. The Center used the proceeds to repay the debt incurred to purchase the land and building located at 186 North 1st Street (approximately $7,009,000), as well as to satisfy the deed stipulations on the 12th Avenue property. To satisfy the deed stipulations on the 12th Avenue property, the Center entered into a contract to remit to the previous owner $2,700,000, payable in cash at the closing of the sale. Net proceeds from the sale after repayment of the debt, satisfaction of deed restrictions and payment of closing costs, was approximately $3,300,000.

Note 6—Property transactions (continued)

In March 2020, several of the Center's buildings were damaged by a tornado in the area. As a result, certain repairs to the facilities were made with insurance proceeds. The amounts received from insurance exceeded the costs by approximately $200,000.

The impact of these transactions is included in the gain on property transactions reflected in the statement of activities for the year ended June 30, 2020 as summarized below:

Proceeds from sale of 801 12th Avenue South	$ 13,500,000
Less quit claim deed fees	(2,700,000)
Less book value of property and closing costs	(952,150)
	9,847,850
Insurance proceeds in excess of costs of tornado repairs	199,796
Gain on property transactions	$ 10,047,646

Note 7—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 accounts payable and accrued expenses was $182,101 and $180,327 at June 30, 2021 and 2020, respectively.

Note 8—Paycheck Protection Program funding

During the year ended June 30, 2020, the Center received a Paycheck Protection Program loan ("PPP") in the amount of $732,590. The PPP loan is granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). PPP loans are considered conditional contributions under ASC 958-605, *Not for Profit Entities - Revenue Recognition.* The loan must be repaid if the Center does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. The Center has deferred recognition of grant revenue for the year ended June 30, 2020, because the conditions for forgiveness have not yet been substantially met; however, the Center received notification of forgiveness from the SBA during the year ended June 30, 2021 and was recognized in grants and contracts revenue within the statement of activities for the year ended June 30, 2021.

Note 9—Short-term financing arrangement

During the year ended June 30, 2019, the Organization obtained a revolving line of credit in the amount of $500,000 from a financial institution. The note stipulated interest at the financial institution's Base Rate (4.75% at June 30, 2019), payable monthly. The note was secured by all deposits and investments of the Organization. The note matured in May 2020, at which time all amounts outstanding and all accrued interest were due. During the year ended June 30, 2020, the revolving line of credit was modified to extend through June 2022 under substantially the same terms. There were no borrowings outstanding under this arrangement at June 30, 2021 and 2020.

Note 10—Long-term debt

Long-term debt is as follows at June 30:

	2021	2020
Mortgage note payable to an organization in monthly principal and interest installments of $1,238, secured by land, interest at 4.0%, maturing September 2022.	$ 81,128	$ 92,494
	81,128	92,494
Less amount shown as current portion	(11,870)	(11,406)
Long-term debt, noncurrent portion	$ 69,258	$ 81,088

Annual principal maturities of the above obligations are as follows:

Years Ending June 30,	
2022	$ 11,870
2023	69,258
	$ 81,128

Note 11—Capital advance

During the year ended June 20, 2008, Haley's Park received a capital advance from HUD in order to fund the construction of the multi-family 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 contribution with donor restrictions. The restriction will not be released prior to the maturity in September 2047 of the capital advance mortgage note agreement.

Note 12—Net assets

Net assets with donor restrictions are available for the following purposes or periods at June 30:

	2021	2020
Housing for individuals with disabilities – Haley's Park	$ 1,568,200	$ 1,568,200
Property for housing program	573,888	580,698
Contributions restricted for programs	629,507	176,426
	$ 2,771,595	$ 2,325,324

Note 12—Net assets (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors, as follows, during the years ended June 30:

	2021	2020
Satisfaction of equipment acquisition restrictions	$ 6,810	$ 6,810
Satisfaction of program restrictions	75,615	43,098
	$ 82,425	$ 49,908

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

	2021	2020
Future needs	$ 946,312	$ 785,285
Housing	232,366	232,366
Clubhouse	155,213	155,213
	$ 1,333,891	$ 1,172,864

Note 13—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, 2021 and 2020 was $119,485 and $105,605, respectively, and is included in fringe benefits in the functional expense statements.

Note 14—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. At June 30, 2021 and 2020, the Center had approximately $5,500,000 and $5,900,000, respectively, in excess of 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.

Note 15—Subsequent events

The Center evaluated subsequent events through February 4, 2022, when these consolidated financial statements were available to be issued. Subsequent to June 30, 2021, the Center obtained bank financing in the amount of $7,000,000 for the purchase of a new building. This financing arrangement stipulates a variable interest rate based on Prime (3.25% at the time of the loan) with maturity in October 2022. Additionally, the Center entered into a purchase and sale agreement to sell its property on North First Street. The sale of the property is expected to close during the year ended June 30, 2022.

Note 16—Contingency

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to volatility in the financial markets. The coronavirus outbreak and government responses are creating disruption to global supply chains and adversely impacting many industries. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material, adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Center, its performance, and its financial results.

SUPPLEMENTARY INFORMATION

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

	Park Center	Haley's Park	Consolidating Entries	Consolidated
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 6,143,707	$ 69,815	$ -	$ 6,213,522
Accounts receivable	278,911	38,176	(2,972)	314,115
Grants receivable	584,860	-	-	584,860
Prepaid expenses	120,002	1,640	-	121,642
Total Current Assets	7,127,480	109,631	(2,972)	7,234,139
Investments	946,312	8,351	-	954,663
Property and equipment, net	10,217,709	1,120,602	-	11,338,311
Total Assets	$ 18,291,501	$ 1,238,584	$ (2,972)	$ 19,527,113
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and accrued expenses	$ 464,592	$ 66,970	$ (2,972)	$ 528,590
Current portion of long-term debt	11,870	-	-	11,870
Total Current Liabilities	476,462	66,970	(2,972)	540,460
Long-term debt, net of current portion	69,258	-	-	69,258
Total Liabilities	545,720	66,970	(2,972)	609,718
Net Assets:				
Without Donor Restrictions:				
Undesignated	15,208,495	(396,586)	-	14,811,909
Board designated	1,333,891	-	-	1,333,891
Total Without Donor Restrictions	16,542,386	(396,586)	-	16,145,800
With donor restrictions	1,203,395	1,568,200	-	2,771,595
Total Net Assets	17,745,781	1,171,614	-	18,917,395
Total Liabilities and Net Assets	$ 18,291,501	$ 1,238,584	$ (2,972)	$ 19,527,113

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES (NON-GAAP)

YEAR ENDED JUNE 30, 2021

	Park Center	Haley's Park	Consolidating Entries	Consolidated
Public Support and Revenues:				
Public Support:				
Grants and contracts	$ 4,893,862	$ 78,391	$ -	$ 4,972,253
Contributions	1,009,714	-	-	1,009,714
In-kind donations	380	-	-	380
Total Public Support	5,903,956	78,391	-	5,982,347
Revenues:				
Rental income	595,657	29,482	-	625,139
Food service fees	305	-	-	305
Investment and interest income, net	190,150	38	-	190,188
Other	330	-	-	330
Total Revenues	786,442	29,520	-	815,962
Total Public Support and Revenues	6,690,398	107,911	-	6,798,309
Expenses:				
Program services	5,054,205	117,539	-	5,171,744
Supporting Services:				
Management and general	1,103,945	28,301	-	1,132,246
Fundraising	198,259	-	-	198,259
Total Supporting Services	1,302,204	28,301	-	1,330,505
Total Expenses	6,356,409	145,840	-	6,502,249
Change in net assets	333,989	(37,929)	-	296,060
Net assets, beginning of year	17,411,792	1,209,543	-	18,621,335
Net assets, end of year	$ 17,745,781	$ 1,171,614	$ -	$ 18,917,395

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

	Park Center	Haley's Park	Consolidating Entries	Consolidated
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 6,900,471	$ 70,701	$ -	$ 6,971,172
Accounts receivable	144,617	2,548	(2,121)	145,044
Grants receivable	656,448	-	-	656,448
Prepaid expenses	73,410	-	-	73,410
Total Current Assets	7,774,946	73,249	(2,121)	7,846,074
Investments	785,286	8,345	-	793,631
Property and equipment, net	10,403,074	1,167,883	-	11,570,957
Total Assets	$ 18,963,306	$ 1,249,477	$ (2,121)	$ 20,210,662
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and accrued expenses	$ 726,430	$ 39,934	$ (2,121)	$ 764,243
Current portion of long-term debt	11,406	-	-	11,406
Deferred revenue	732,590	-	-	732,590
Total Current Liabilities	1,470,426	39,934	(2,121)	1,508,239
Long-term debt, net of current portion	81,088	-	-	81,088
Total Liabilities	1,551,514	39,934	(2,121)	1,589,327
Net Assets:				
Without Donor Restriction:				
Undesignated	15,481,804	(358,657)	-	15,123,147
Board designated	1,172,864	-	-	1,172,864
Total Without Donor Restriction	16,654,668	(358,657)	-	16,296,011
With donor restriction	757,124	1,568,200	-	2,325,324
Total Net Assets	17,411,792	1,209,543	-	18,621,335
Total Liabilities and Net Assets	$ 18,963,306	$ 1,249,477	$ (2,121)	$ 20,210,662

PARK CENTER, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES (NON-GAAP)

YEAR ENDED JUNE 30, 2020

	Park Center	Haley's Park	Consolidating Entries	Consolidated
Public Support and Revenues:				
Public Support:				
Grants and contracts	$ 4,152,969	$ 56,453	$ -	$ 4,209,422
Contributions	499,148	-	-	499,148
In-kind donations	51,900	-	-	51,900
Total Public Support	4,704,017	56,453	-	4,760,470
Revenues:				
Rental income	762,112	40,895	-	803,007
Food service fees	9,211	-	-	9,211
Investment and interest income, net	31,320	(8)	-	31,312
Other	105,556	-	-	105,556
Total Revenues	908,199	40,887	-	949,086
Gain on property transactions (Note 6)	10,047,646	-	-	10,047,646
Total Public Support and Revenues	15,659,862	97,340	-	15,757,202
Expenses:				
Program services	5,044,319	96,747	-	5,141,066
Supporting Services:				
Management and general	946,379	27,454	-	973,833
Fundraising	201,207	-	-	201,207
Total Supporting Services	1,147,586	27,454	-	1,175,040
Total Expenses	6,191,905	124,201	-	6,316,106
Change in net assets	9,467,957	(26,861)	-	9,441,096
Net assets, beginning of year	7,943,835	1,236,404	-	9,180,239
Net assets, end of year	$ 17,411,792	$ 1,209,543	$ -	$ 18,621,335