



TENNESSEE
Hamblen County
SERVICE • COMMUNITY • INDUSTRY
FINANCE DEPARTMENT

February 20, 2026

Safespace Inc.
Van Wolfe, Executive Director
636 Middle Creek Road
Sevierville, TN 37862

We have begun the 2026-2027 budget process. In order to be considered for a contribution from Hamblen County, we are requesting certain information from your organization in accordance with Section 5-9-109, *Tennessee Code Annotated (TCA)*.

This year, we are requesting that your documents be submitted electronically to the Finance Department at the following email addresses:

Amanda Hale – ahale@co.hamblen.tn.us
Dennis Fox – dfox@co.hamblen.tn.us

Please provide the following items **electronically**:

- 1) proof of 501(c)(3), 501(c)(4), or 501(c)(6) IRS tax status,
Please note this is a letter from the IRS, not a letter of sales tax exemption from the Tennessee Department of Revenue
- 2) your organization's most current audit or annual report detailing all receipts and expenditures, and
- 3) your organization's most current budget.

Please note that in accordance with State law, the above requested information must be submitted and on file. Noncompliance with this request may prevent your organization from receiving funds. Please understand that this letter does not guarantee that you will receive a contribution. Any contribution requires county commission approval. You may be asked to appear before the Budget Committee on **Saturday, May 16, 2026**, to explain your request. The Finance Department will notify you if the Budget Committee wants to hear from you.

Please return a copy of this letter along with the requested information above to the Hamblen County Mayor's office by **Monday, March 23, 2026**. If you have any questions, please feel free to contact me.

Sincerely,

Amanda Hale

Amanda Hale
Hamblen County Finance Director

2025-2026 Contribution:

\$10,000

Amanda Hale, Finance Director

511 West Second North Street • Morristown, TN 37814 • *office.* 423.586.1931 • *fax.* 423.585.4699

www.HamblenCountyTN.gov • *email.* ahale@co.hamblen.tn.us

SAFESPACE, INCORPORATED

FINANCIAL STATEMENTS

Year ended June 30, 2025

SAFESPACE, INCORPORATED

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Purkey, Carter, Compton, Swann & Carter, PLLC

Certified Public Accountants

2335 W. Andrew Johnson Highway
P. O. Box 727
Morristown, Tennessee 37815

Telephone (423) 586-4850
FAX (423) 581-8873
www.pccsc.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Safespace, Incorporated
Sevierville, Tennessee

Opinion

We have audited the accompanying financial statements of Safespace, Incorporated (a non-profit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Safespace, Incorporated as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Safespace, Incorporated’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Safespace, Incorporated’s ability to continue as a going concern for a reasonable period of time.

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

Purkey, Carter, Compton, Swann & Carter, PLLC

Morristown, TN
November 6, 2025

SAFESPACE, INCORPORATED
STATEMENT OF FINANCIAL POSITION
June 30, 2025

ASSETS

Cash	\$ 489,156
Grants receivable	38,431
Unconditional promises to give	7,617
Investments	251,477
Prepaid expenses	14,438
Property and equipment, net	584,630
Finance lease right-to-use asset, net	<u>3,008</u>

TOTAL ASSETS \$ 1,388,757

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 4,281
Accrued payroll liabilities	2
Accrued annual leave	3,520
Line of credit payable	503
Finance lease liability	<u>3,008</u>

TOTAL LIABILITIES 11,314

NET ASSETS

Net assets without donor restrictions	
Designated by board for perpetuity of Organization or financial hardship	101,005
Undesignated	<u>1,268,821</u>
 Total net assets without donor restrictions	 1,369,826
Net assets with donor restrictions	<u>7,617</u>

TOTAL NET ASSETS 1,377,443

TOTAL LIABILITIES AND NET ASSETS \$ 1,388,757

SAFESPACE, INCORPORATED
STATEMENT OF ACTIVITIES
Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
Contributions of cash and other financial assets			
United Way	\$ 32,658	\$ 7,617	\$ 40,275
Local governments	85,000	-	85,000
Donations and grants	208,260	-	208,260
Special events	16,658	-	16,658
Emergency Food and Shelter Program	2,843	-	2,843
Office of Criminal Justice Program			
Family Violence Services	175,163	-	175,163
Victims of Crime Act	126,894	-	126,894
Contributions of nonfinancial assets	12,000	-	12,000
Interest income	19,550	-	19,550
Dividend income	2,108	-	2,108
Net loss on investments	(3,041)	-	(3,041)
Loss on disposal of fixed asset	(1,012)	-	(1,012)
Net assets released from restrictions			
Expiration of time restrictions - United Way	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>
 TOTAL REVENUE, GAINS AND OTHER SUPPORT	 683,081	 1,617	 684,698
 EXPENSE			
Program services			
Domestic violence	516,520	-	516,520
Supporting services			
Management and general	64,934	-	64,934
Fundraising	<u>18,070</u>	<u>-</u>	<u>18,070</u>
 TOTAL EXPENSE	 <u>599,524</u>	 <u>-</u>	 <u>599,524</u>
 CHANGE IN NET ASSETS	 83,557	 1,617	 85,174
 NET ASSETS AT BEGINNING OF YEAR	 <u>1,286,269</u>	 <u>6,000</u>	 <u>1,292,269</u>
 NET ASSETS AT END OF YEAR	 <u>\$1,369,826</u>	 <u>\$ 7,617</u>	 <u>\$1,377,443</u>

SAFESPACE, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2025

	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 325,016	\$ 40,117	\$ 12,340	\$ 377,473
Employee benefits	35,390	4,368	1,344	41,102
Payroll taxes	<u>24,706</u>	<u>3,049</u>	<u>938</u>	<u>28,693</u>
Total salaries and related expenses	385,112	47,534	14,622	447,268
Utilities	11,049	1,887	-	12,936
Rent	31,422	3,878	1,193	36,493
Maintenance	8,639	-	-	8,639
Communications	16,849	1,872	-	18,721
Travel	7,166	385	154	7,705
Postage and printing	-	403	1,549	1,952
Professional services	-	5,483	-	5,483
Insurance	17,210	1,902	132	19,244
Interest	178	-	-	178
Victim assistance	100	-	-	100
Dues and subscriptions	1,825	-	-	1,825
Supplies	3,922	1,590	420	5,932
Advertising	230	-	-	230
Food	3,444	-	-	3,444
Depreciation	28,251	-	-	28,251
Amortization	<u>1,123</u>	<u>-</u>	<u>-</u>	<u>1,123</u>
TOTAL EXPENSE	<u>\$ 516,520</u>	<u>\$ 64,934</u>	<u>\$ 18,070</u>	<u>\$ 599,524</u>

SAFESPACE, INCORPORATED
STATEMENT OF CASH FLOWS
Year ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 85,174
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	28,251
Amortization of right-of-use asset - finance lease	1,123
Loss on disposal of fixed asset	1,012
Contribution of other financial asset	(29,589)
Loss on investment	3,041
Changes in operating assets:	
Grants receivable	16
Unconditional promises to give	(1,617)
Prepaid expenses	(1,938)
Changes in operating liabilities:	
Accounts payable	603
Accrued payroll liabilities	(375)
Annual leave payable	<u>(4,090)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 81,611

CASH FLOWS FROM INVESTING ACTIVITIES

Sale proceeds from investments	109,266
Purchase of investments	(107,599)
Reinvestment of investment dividends	(2,962)
Purchase of certificates of deposit	(163,000)
Proceeds from certificate of deposit redemption	157,000
Purchase of fixed assets	<u>(1,575)</u>

NET CASH USED IN INVESTING ACTIVITIES (8,870)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal reduction in lease liability - finance lease	<u>(1,123)</u>
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NET INCREASE IN CASH 71,618

CASH AND RESTRICTED CASH AT BEGINNING OF YEAR 417,538

CASH AND RESTRICTED CASH AT END OF YEAR \$ 489,156

SUPPLEMENTAL DISCLOSURES:

Interest paid	\$ 36
Noncash investing activities: Contributed fair market value of stock	\$ 29,589

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Safespace, Incorporated is a not-for-profit Organization incorporated under the laws of the State of Tennessee in 1981. The Organization maintains and operates a shelter and outreach programs of assistance for victims of domestic violence and promotes public awareness and understanding of domestic violence.

Basis of Accounting

The financial statements of Safespace, Incorporated have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board, Accounting Standards Codification (ASC) Topic 958 *Not-for-Profit Entities*. Under ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in ASC Topic 958. In accordance with ASC Topic 958, contributions received are recorded, depending on the existence or nature of any donor restrictions, as contributions with donor restrictions or contributions without donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Concentrations of Credit Risk

The Organization's concentrations of credit risk consist principally of grants receivable and promises to give. Concentrations of credit risk with respect to grants receivable are limited due to the nature of the grant agreements. Concentrations of credit risk with respect to promises to give are dependent on factors affecting the economy in which contributors live and work. Collateral is not required on these promises to give.

SAFESPACE, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Promises to Give

Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when conditions on which they depend are substantially met.

The Organization uses the allowance method to determine uncollectible promises to give, if necessary. The allowance is based on prior years' experience and management's analysis of the specific promises made.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Expenditures for additions and major renewals for more than \$1,000 are capitalized, while those for maintenance and repairs are charged to expenditures as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets and is reflected as an expense in the Statement of Functional Expenses.

Functional Expenses

The costs of providing program and supporting activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated between Program Services and Supporting Services based on an analysis of those costs identifiable with a specific function or based on an analysis of personnel time and space utilized for the related service.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization had no cash equivalents at June 30, 2025.

Investments

In accordance with ASC Topic 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Contributions of Nonfinancial Assets and Services

Contributions of nonfinancial assets are recorded as contributions at their estimated fair values as the date of donation. See Note K - Contributed Nonfinancial Assets for estimated fair values of donations made during the year ended June 30, 2025.

SAFESPACE, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

During the year ended June 30, 2025, no contributed services met the requirements of ASC Topic 958 for recognition in the financial statements. However, a number of volunteers contributed their time to assist with the Organization's programs. These donated services constitute a significant factor in the operation of the Organization.

Advertising

The Organization expenses the cost of advertising as it is incurred. Advertising expense for the year ended June 30, 2025 is \$230.

Interest Expense

Interest expense is charged to expense in the period in which it is incurred; therefore, no interest has been capitalized during the year ended June 30, 2025.

Property Taxes

The Organization has been exempted from payment of city and county property taxes by the Tennessee State Board of Equalization.

Subsequent Events

The Organization evaluated subsequent events through November 6, 2025, the date the financial statements were available to be issued.

Revenue Recognition

The Organization recognizes revenue when it satisfies a performance obligation by transfer of promised goods or services to customers in an amount that depicts the consideration the Organization expects to be entitled to in exchange for those goods or services. Revenue is not recognized unless the contract has been approved, it identifies each party's rights, it identifies payment terms, it has commercial substance, and it is probable substantially all consideration will be collected by the Organization. The Organization has elected the practical expedients: (1) to account for contracts with similar characteristics as a portfolio of contracts rather than individually; (2) not to adjust the promised amount of consideration for the effects of significant financing component as it expects, at contract inception, that the period between when the Organization transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less; (3) not to disclose the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period when the performance obligations to contracts with an expected duration of less than one year.

When either party to a contract has performed, depending on the relationship between the Organization's performance and the customer's payment, the Organization presents a contract asset or contract liability on the statement of financial position. The Organization presents any unconditional rights to consideration separately on the statement of financial position as a receivable.

The Organization recognizes revenues from fundraising events at a point in time upon transfer of the good or service.

SAFESPACE, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Leases

The Organization determines if an arrangement is a lease at inception. When an arrangement is a lease, management determines if it is an operating lease or finance lease, with classification affecting the pattern of expense recognition in the Statement of Activities. At lease commencement, the Organization records a lease liability and a corresponding right-of-use (ROU) asset. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. The Organization has elected to include lease and non-lease components in determining the lease liability for all leases. The Organization has elected to use a risk-free rate as the discount rate for all leases. An ROU asset and lease liability is not recognized for leases with a term of 12 months or less. Lease expense for these leases is recognized on a straight-line basis over the lease term. See Note I.

NOTE B – LIQUIDITY

Safespace, Incorporated has \$678,059 of financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditures consisting of cash of \$489,156, investments of \$150,472, and grants receivable of \$38,431. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the Statement of Financial Position date.

The Board of Directors of the Organization has designated funds for the perpetuity of the Organization or a financial hardship in the amount of \$101,005. These amounts can be undesignated by the Board of Directors at its discretion to meet cash needs for general expenditures.

The Organization has unconditional promises to give in the amount of \$7,617 restricted by time and can be used for general expenditures when payment is received. The unconditional promises to give are subject to implied time restrictions but are expected to be collected within one year.

NOTE C – GRANTS RECEIVABLE

Grants receivable consist of the following:

Office of Criminal Justice Programs -	
Victims of Crime Act	\$ 5,436
Family Violence	10,378
Victim Assistance -	
Jefferson County	5,465
Grainger County	2,337
Cocke County	2,815
Pettway Grant	<u>12,000</u>
	<u>\$ 38,431</u>

Differences between amounts allocated and collected from grants receivable have historically been insignificant. Accordingly, no provision is made for uncollectible amounts.

SAFESPACE, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE D – ANNUAL LEAVE PAYABLE

The estimated value of annual leave accrued but not taken amounted to \$3,520 at June 30, 2025, based on personnel policies effective September 1, 2016. ASC Topic 710 *Compensation - General*, requires that certain accrued vacation, the effects of which are material to the financial statements, be recorded as earned.

NOTE E – PROPERTY AND EQUIPMENT

Land, buildings, and equipment are stated at cost or estimated fair market value if donated and on June 30, 2025, consisted of the following:

Land	\$ 131,513
Building and improvements	798,931
Furniture and equipment	70,985
Vehicles	<u>40,568</u>
	1,041,997
Less accumulated depreciation	<u>(457,367)</u>
Net property and equipment	<u>\$ 584,630</u>

Depreciation expense for the year ended June 30, 2025, was \$28,251.

NOTE F – LINE OF CREDIT

The Organization has a \$50,000 revolving line of credit, of which \$503 was used at June 30, 2025. The credit line is unsecured and accrues interest at a variable rate. The rate of interest at June 30, 2025, is 8.5%.

Interest relating to this line of credit during the year is \$36, none of which has been capitalized.

Subsequent to fiscal year end, the Organization closed the line of credit.

NOTE G – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2025, consist of the following:

United Way funding – Hamblen County	<u>\$ 7,617</u>
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Unconditional promises to give are stated at the amount management expects to collect from outstanding balances. All unconditional promises to give are receivable in less than one year. Differences between amounts promised and collected have historically been insignificant. Accordingly, no provision is made for uncollectible amounts.

SAFESPACE, INCORPORATED
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE H – FUNDING

Safespace, Incorporated receives a substantial amount of support from Office of Criminal Justice Programs, approximately 44% of total revenue. The Organization also receives a substantial amount of support from the donations and grants in its service area of Tennessee. A major reduction of funds by the grantor agency or the general public, should this occur, may have a significant effect on future operations.

NOTE I – LEASES

Financing Lease

The Organization leases two copiers under a 60-month financing lease agreement with Ricoh that began in January 2023. The payments are \$105 per month, plus small charges for additional copies.

The following table reconciles the undiscounted lease payments to the lease liabilities reported within the Statement of Financial Position as of June 30, 2025:

Years ending June 30,	
2026	1,265
2027	1,265
2028	<u>634</u>
Total lease payments	3,164
Less: Discount/interest	<u>(156)</u>
Present value of lease liabilities	<u>\$ 3,008</u>

The following tables provide quantitative information concerning the Organization's lease for the year ended June 30, 2025:

Lease Cost	
Finance Lease Cost	
Amortization of right-of-use asset expense	\$ 1,123
Interest on lease liabilities expense	<u>142</u>
Total lease cost	<u>\$ 1,265</u>
Other Information	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating cash flows from finance leases	<u>\$ 142</u>
Financing cash flows from finance leases	<u>\$ 1,123</u>
Weighted-average remaining lease term – finance lease	2.5 years
Weighted-average discount rate - finance lease	3.94%

SAFESPACE, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Operating Leases

The Organization leases office space in Newport, Tennessee from third parties on a written annual operating lease in the amount of \$800 per month, of which \$200 is donated and considered a contributed nonfinancial asset. See Note K. The lease includes an option to terminate with a 90-day notice and does not include an option to renew.

The Organization rents office space in Sevierville, Tennessee from third parties on a written annual operating lease in the amount of \$2,200 per month, of which \$800 per month is donated and considered a contributed nonfinancial asset. See Note K. The lease includes an option to terminate with a 90-day notice and does not include an option to renew. The lease term is for two years commencing on July 1, 2023. There are no remaining minimum future lease payments required under the operating lease. Subsequent to year end, the Organization signed a new lease agreement.

The Organization has elected to use a risk-free discount rate comparable to the lease terms for the discount rate for operating leases.

Rental expense for the year ended June 30, 2025, is \$36,493.

NOTE J – RETIREMENT PLAN

Employees of the Organization may participate in a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE), whereby the employee may elect to make contributions pursuant to a salary reduction agreement. All full-time employees are eligible to participate in the plan following ninety days from the date of employment. To be eligible to participate in the plan each year, employees must contribute at least 1% of their salary to the plan. The agency makes a dollar for dollar contribution of up to 3% to all eligible employees. The Organization's matching contributions to the plan were \$7,078 for the year ended June 30, 2025.

NOTE K – CONTRIBUTED NONFINANCIAL ASSETS

For the year ended June 30, 2025, contributed nonfinancial assets recognized within the Statement of Activities included:

Use of property	<u>\$ 12,000</u>
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The Organization recognizes contributed nonfinancial assets revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. The Organization receives in-kind donations of time, supplies, and facility use. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The Organization leases two properties below market rent. The difference between the Organization's estimated fair value of rent and amount paid is recorded as contributed use of property.

SAFESPACE, INCORPORATED
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE L – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following period or purposes:

United Way funding for period after June 30, 2025	<u>\$ 7,617</u>
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NOTE M – INVESTMENTS

Investments at June 30, 2025, consist of the following:

	<u>Fair Value</u>	<u>Investment Cost Basis</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual Funds	\$ 77,788	\$ 77,491	\$ 297
Exchange-Traded Funds	21,409	20,414	995
Money Market	2,358	2,358	-
Certificates of Deposit	<u>149,922</u>	<u>150,058</u>	<u>(136)</u>
Totals	<u>\$ 251,477</u>	<u>\$ 250,321</u>	<u>\$ 1,156</u>

The Organization follows the provisions of FASB ASC 820-10 which defines fair value and establishes a fair value hierarchy based on the quality of measurement inputs. These measurement inputs are as follows:

Level 1 – Inputs are quoted prices in active markets for identical investments as of the reporting date. Investments in this category include equities traded on an active exchange, as well as U.S. Treasury and other U.S. government and agency mortgage backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Inputs are observable for the investments, directly or indirectly, as of the reporting date. Fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities, and certain over-the-counter derivatives.

Level 3 – Inputs are unobservable and reflect assumptions on the part of the reporting entity. Investments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, debt funds, hedge funds, distressed debt and non-investment grade residual interests in securitizations and collateralized debt obligations.

Fair values for the above investments are determined by reference to quoted prices in active markets for identical assets (Level 1 within the fair value measurement hierarchy) and reported on a recurring basis. As of June 30, 2025, \$101,005 is designated by the Board of Directors to support the perpetuity of the Organization or in the event of a catastrophic financial occurrence. The remainder of the funds have no restrictions or designations.

SAFESPACE, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

During the year, the Organization received marketable security of \$29,589, the fair value at the time of donation and subsequently sold by the Organization.

Dividend income from the securities for the year ended June 30, 2025 was \$2,108. During the audit period, the Organization also recognized \$6,975 of unrealized losses and \$3,934 of realized gains.

NOTE N – CONCENTRATIONS OF CREDIT RISK

Deposits in excess of FDIC insured limits subject the Organization to credit risk. At June 30, 2025, the Organization's cash balance at two financial institutions exceeded the insured limits by \$103,151.

NOTE O – REVENUE FROM CONTRACTS WITH CUSTOMERS

Disclosure of Disaggregated Revenue

For the year ended June 30, 2025, there were no revenues recognized from goods or services transferred to customers at a point in time.

For the years ended June 30, 2025, there were no revenues recognized from goods or services transferred to customers over time.

The Organization's revenues, results of operations, and cash flows are affected by separate factors, including general economic conditions, geographical locations of customers, and type of contract. Contracts with clients are not typically considered long-term due to the structure of client agreements.

Disclosure of Contract Assets, Contract Liabilities or Contract Receivables

The Organization had no contract assets, liabilities or receivables from contracts with customers at June 30, 2025 and 2024.

**BOARD OF DIRECTORS APPROVED
SAFESPACE BUDGET FY 2025-2026**

EXPENSE:

Salaries	\$390,630.00
Benefits & Taxes	\$64,688.00
Professional fees & Insurance	\$32,600.00
Postage & Printing	\$1,200.00
Travel	\$7,900.00
Training	\$17,000.00
Rent & Utilities	\$38,000.00
Supplies & Program Supplies	\$17,029.00
Equipment & Maintenance	\$15,800.00
Telephone & Internet	\$12,500.00
Client Database	\$6,560.00
Victim Services	\$3,000.00
Membership & Public Relations	<u>\$10,650.00</u>
Total Expenses:	\$617,557.00

INCOME:

Individual & Community Donations	\$48,000.00
County & City Governments	\$84,500.00
OCJP (FVPSA) Grant	\$302,057.00
United Way	\$35,000.00
Fundraising Events	\$25,000.00
Grants	\$70,000.00
Victim Assistance Assessment	\$38,000.00
Special Programs	\$4,000.00
Interest / Dividends	<u>\$11,000.00</u>
Total Income:	\$617,557.00

OGDEN UT 84201-0038

In reply refer to: 0441728362
Mar. 24, 2009 LTR 4168C E0
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00034000
BODC: TE

SAFESPACE INC
% VAN WOLFE
636 MIDDLE CREEK ROAD
SEVIERVILLE TN 37862-5044

1056

Employer Identification Number: 58-1537647
Person to Contact: C. Hunt
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Mar. 13, 2009, regarding your tax-exempt status.

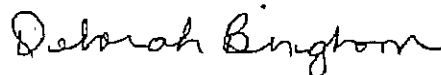
Our records indicate that a determination letter was issued in December 1983, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your 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.

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

Sincerely yours,



Deborah Bingham
Accounts Management I