



TENNESSEE
Hamblen County
SERVICE • COMMUNITY • INDUSTRY
FINANCE DEPARTMENT

February 20, 2026

Central Services
Ashley Hux, Executive Director
P.O. Box 1622
Morristown, TN 37814

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:

\$5,000

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

Income	<i>2026 Budget</i>
United Way	\$284,000.00
Thrift Store	\$200,000.00
Other Income	\$103,000.00
Facility Use	\$12,000.00

Subtotal Income \$599,000.00

United Way Toy Program	\$6,000.00
Holiday Hope Fund	\$104,000.00
EFSP Grant	\$12,000.00
CDBG	\$35,000.00

Subtotal Income \$157,000.00

Total Budget Income \$756,000.00

Expenditures ***2026 Budget***

Salaries/Benefits

Salaries	\$400,425.00
Retirement	\$4,500.00
Bonus Pay	\$11,405.00
Payroll Liabilities	\$30,670.00
Group Insurance	\$35,900.00

Subtotal	\$482,900.00
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Administrative Expense

Office Supplies	\$4,000.00
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Postage	\$200.00
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Auditing Expense	\$6,500.00
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Registrations/Fees	\$500.00
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D&O/Workmans' Comp Ins	\$3,000.00
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Subtotal	\$14,200.00
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Building/Equipment

Utilities	\$24,000.00
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Insurance	\$13,600.00
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Building Supplies	\$1,000.00
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Repairs& Maintenance	\$2,500.00
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Telephone	\$3,000.00
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Security Service	\$2,300.00
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Subtotal	\$46,400.00
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Social Service Programs

Food	\$27,000.00
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Rent	\$37,000.00
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Utilities	\$29,000.00
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Traveler's Aid	\$3,000.00
Thrift Store	\$5,000.00
Medical Services	\$1,500.00

Subtotal	\$102,500.00
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Other Service Programs

Toy Program	\$6,000.00
Holiday Hope Fund	\$104,000.00

Subtotal	\$110,000.00
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Totals:	\$756,000.00
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MORRISTOWN-HAMBLEEN CENTRAL SERVICES, INC.

FINANCIAL STATEMENTS

Year ended December 31, 2024

MORRISTOWN-HAMBLEEN CENTRAL SERVICES, INC.

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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
Morristown-Hamblen Central Services, Inc.
Morristown, Tennessee

Opinion

We have audited the accompanying financial statements of Morristown-Hamblen Central Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 Morristown-Hamblen Central Services, Inc. as of December 31, 2024, 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 Audit of the Financial Statements section of our report. We are required to be independent of Morristown-Hamblen Central Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Morristown-Hamblen Central Services, Inc.'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 Morristown-Hamblen Central Services, Inc.’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 Morristown-Hamblen Central Services, Inc.’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, Tennessee
August 5, 2025

MORRISTOWN-HAMBLEEN CENTRAL SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS	
Cash - operations	\$ 168,046
Cash - designated/restricted	22,007
Unconditional promises to give	292,444
Prepaid expense	10,933
Property and equipment, net	714,825
Cash - designated for long-term capital improvements	<u>89,941</u>
 TOTAL ASSETS	 <u>\$ 1,298,196</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Payroll taxes payable	\$ 486
Annual leave payable	<u>15,904</u>
 TOTAL LIABILITIES	 16,390
NET ASSETS	
Net assets without donor restrictions	
Designated by the board for building maintenance and special events	11,406
Designated by the board for long-term capital improvements	89,941
Undesignated	<u>877,415</u>
 Total net assets without donor restrictions	 978,762
Net assets with donor restrictions	<u>303,044</u>
 TOTAL NET ASSETS	 <u>1,281,806</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,298,196</u>

MORRISTOWN-HAMBLÉN CENTRAL SERVICES, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
Contributions of cash and other financial assets			
United Way	\$ -	\$ 292,444	\$ 292,444
Foundations and grants	19,000	-	19,000
Local governments	31,500	-	31,500
Donations	169,662	16,520	186,182
Emergency Food and Shelter Program	11,588	-	11,588
Thrift shop sales	212,945	-	212,945
Silent auction sales	2,025	-	2,025
Building facility use	1,650	-	1,650
Interest income	1,181	-	1,181
Insurance proceeds	8,498	-	8,498
Contributions of nonfinancial assets	220,449	-	220,449
Net assets released from restrictions			
Restrictions satisfied by time - United Way	282,419	(282,419)	-
Restrictions satisfied by payments	<u>29,857</u>	<u>(29,857)</u>	<u>-</u>
 TOTAL REVENUE, GAINS, AND OTHER SUPPORT	 990,774	 (3,312)	 987,462
 EXPENSE			
Program services			
Community services	945,346	-	945,346
Supporting services			
Management and general	62,887	-	62,887
Fundraising	<u>7,491</u>	<u>-</u>	<u>7,491</u>
 TOTAL EXPENSE	 <u>1,015,724</u>	 <u>-</u>	 <u>1,015,724</u>
 CHANGE IN NET ASSETS	 (24,950)	 (3,312)	 (28,262)
 NET ASSETS AT BEGINNING OF YEAR	 <u>1,003,712</u>	 <u>306,356</u>	 <u>1,310,068</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 978,762</u>	 <u>\$ 303,044</u>	 <u>\$ 1,281,806</u>

MORRISTOWN-HAMBLÉN CENTRAL SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2024

	Program		Supporting Services	
	Services			
	Community	Management	Fundraising	Total
	Services	and General		
Salaries	\$ 314,999	\$ 42,422	\$ 5,727	\$ 363,148
Employee benefits	36,489	4,914	664	42,067
Payroll taxes	24,416	3,288	443	28,147
Total salaries and related expenses	375,904	50,624	6,834	433,362
Utilities	34,680	708	-	35,388
Repairs and maintenance	7,908	161	-	8,069
Telephone	6,969	939	127	8,035
Training	-	1,981	-	1,981
Supplies	6,121	1,337	530	7,988
Contract services	28,424	-	-	28,424
Professional fees	-	5,775	-	5,775
Insurance	18,807	384	-	19,191
Bank charges	59	6	-	65
Social services	82,302	-	-	82,302
Medical services	1,464	-	-	1,464
Holiday hope	90,299	-	-	90,299
Thrift shop	7,579	-	-	7,579
Cost of goods sold - thrift shop	212,945	-	-	212,945
Cost of goods sold - special events	2,025	-	-	2,025
Emergency food pantry	22,231	-	-	22,231
Depreciation	47,629	972	-	48,601
TOTAL EXPENSE	\$ 945,346	\$ 62,887	\$ 7,491	\$ 1,015,724

MORRISTOWN-HAMBLEEN CENTRAL SERVICES, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (28,262)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	48,601
Changes in operating assets:	
Unconditional promises to give	(10,025)
Prepaid expense	(109)
Changes in operating liabilities:	
Annual leave payable	523
Payroll taxes payable	456
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	11,184
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	<hr/> (33,026)
NET DECREASE IN CASH AND RESTRICTED CASH	(21,842)
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	<hr/> 301,836
CASH AND RESTRICTED CASH AT END OF YEAR	<hr/> <hr/> \$ 279,994

MORRISTOWN-HAMBLÉN CENTRAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Morristown-Hamblen Central Services, Inc. is a not-for-profit organization incorporated under the laws of the State of Tennessee in 1969. The Organization provides family support services to anyone living or working in Hamblen County, Tennessee through more than 20 different programs that provide financial assistance, crisis intervention counseling, employment training, and life skills education.

Basis of Accounting

The financial statements of Morristown-Hamblen Central Services, Inc. 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.

The Organization receives amounts from grants that are considered nonreciprocal transactions and are accounted for as contributions.

Concentration of Credit Risk

The Organization's concentration of credit risk consists of promises to give. Concentration of credit risk with respect to promises to give is dependent on factors affecting the economy in which contributors live and work. Collateral is not required on these promises to give.

MORRISTOWN-HAMBLÉN CENTRAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. The capitalization threshold for property and equipment is \$1,000 per unit.

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 December 31, 2024.

The following table provides a reconciliation of cash and restricted cash reported within the Statement of Financial Position that sum to the total in the Statement of Cash Flows as of December 31, 2024:

Operations	\$ 168,046
Designated by board/restricted	22,007
Designated for long-term capital improvements	<u>89,941</u>
	<u>\$ 279,994</u>

MORRISTOWN-HAMBLEN CENTRAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Advertising

The Organization expenses the cost of advertising as it is incurred. There were no advertising expenses for the year ended December 31, 2024.

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 August 5, 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 related 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 building facility rental over time as performance obligations are satisfied, with fees billed once a month. Building facility rental provides varying access to the Organization's facilities.

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

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets are recorded as contributions at their estimated fair values at the date of the donation. See Note G – Contributed Nonfinancial Assets for estimated fair values of donations made during the year ended December 31, 2024.

During the year ended December 31, 2024, 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.

MORRISTOWN-HAMBLÉN CENTRAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - LIQUIDITY

Morristown-Hamblen Central Services, Inc. has \$168,046 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 \$168,046. None of these 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 building repairs and long-term capital improvements in the amounts of \$11,406 and \$89,941, respectively; these amounts can be undesignated by the Board of Directors at its discretion to meet cash needs for general expenditures. It is the policy of the Board of Directors to review its plans for future property improvements and acquisitions from time to time and to designate appropriate sums of net assets without donor restrictions to assure adequate financing of such improvements and acquisitions.

The Organization has unconditional promises to give in the amount of \$292,444 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 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2024, consist of the following:

United Way	<u>\$ 292,444</u>
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Unconditional promises to give are stated at the amount management expects to collect from outstanding balances. Differences between amounts promised and collected have historically been insignificant. Accordingly, no provision is made for uncollectible amounts. All promises to give are due within one year.

NOTE D - PROPERTY AND EQUIPMENT

Land, buildings, and equipment are stated at cost or estimated fair market value if donated and on December 31, 2024, consisted of the following:

Land	\$ 187,900
Buildings and renovations	941,908
Furnishings and equipment	224,211
Vehicles	154,827
Less: accumulated depreciation	<u>(794,021)</u>
Net property and equipment	<u>\$ 714,825</u>

Depreciation expense for the year ended December 31, 2024, was \$48,601.

MORRISTOWN-HAMBLÉN CENTRAL SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

NOTE E - ANNUAL LEAVE PAYABLE

The estimated value of annual leave accrued but not taken amounted to \$15,904 at December 31, 2024, based on personnel policies effective October 2008. 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 F - NET ASSETS WITH DONOR RESTRICTIONS

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

Subject to purpose restrictions:	
Hamblen-Interagency Coalition program	\$ 1,865
Appalachian Grow grant	3,929
Operation Hope	28
Holiday Cheer for Preteens	4,030
Staff Development	18
Social Workers of Lakeway Area	730
Subject to time restrictions:	
United Way funding for 2025	<u>292,444</u>
Total	<u>\$ 303,044</u>

NOTE G - CONTRIBUTED NONFINANCIAL ASSETS

For the year ended December 31, 2024, contributed nonfinancial assets recognized within the Statement of Activities included:

Cost of goods sold donated for thrift store	\$ 212,945
Cost of goods sold donated for silent auction	2,025
Food pantry equipment	<u>5,479</u>
	<u>\$ 220,449</u>

The Organization recognized contributed nonfinancial assets revenue and a corresponding expense in the amount approximating the estimated fair value at the time of donation. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed thrift store and silent auction items were utilized to raise funds for operational program services. Contributed food pantry equipment was utilized in program services for the storage of food for use by the clients.

MORRISTOWN-HAMBLEN CENTRAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE H - REVENUE FROM CONTRACTS WITH CUSTOMERS

Disclosure of Disaggregated Revenue

For the year ended December 31, 2024, revenues recognized from goods or services transferred to customers at a point in time were \$214,970.

For the year ended December 31, 2024, revenues recognized from goods or services transferred to customers over time were \$1,650.

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 and Contract Receivables

The Organization had no contract assets, contract liabilities or receivables from contracts with customers at December 31, 2024 and 2023.

NOTE I - FUNDING

Morristown-Hamblen Central Services, Inc. receives a substantial amount of support from United Way. A major reduction of funds by the grantor agency, should this occur, may have a significant effect on future operations.

Internal Revenue Service

Date: October 17, 2003

Morristown Hamblen Central Services
314 N. Cumberland St
Morristown, TN 37814

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:

Steve Brown 31-07422
Customer Service Representative

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:

62-0808245

Dear Sir or Madam:

This is in response to your request of October 17, 2003, regarding your organization's tax-exempt status.

In July 1971 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

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.

Morristown Hamblen Central Services
62-0808245

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.

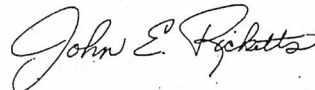
Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

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, Director, TE/GE
Customer Account Services