

FINANCE DEPARTMENT

February 11, 2025

Ministerial Association Temporary Shelter, Inc. (M.A.T.S.) Tonya Polidoro, Executive Director 733 West Main Street Morristown, TN 37814

We have begun the 2025-2026 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 – <u>ahale@co.hamblen.tn.us</u> Dennis Fox – <u>dfox@co.hamblen.tn.us</u>

Please provide the following items <u>electronically</u>:

- 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 17, 2025, 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 17, 2025. If you have any questions, please feel free to contact me.

Sincerely,

amanda Hale

Amanda Hale Hamblen County Finance Director

2024-2025 Contribution:

\$8,000

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



Ministerial Association Temporary Shelter, Inc.

February 17, 2025

Hamblen County Finance Department

Ms. Amanda Hale,

MATS serves individual men, women, and families with children. We provide shelter, food, clothing, life skills, budget coaching, counseling, and mentorship while they reside in the program. The goal is much more than just housing those experiencing homelessness. We provide guidance while teaching them how to address issues preventing them from gaining immediate jobs and housing so those are attainable as quickly as possible. Also, the program teaches them how to proceed in life with healthy financial habits and better decision-making skills.

Growing up without having someone to invest in them leads to living life in the most unhealthy and destructible ways. The by-product of that tends to be generational poverty and homelessness.

The program identifies the client's obstacles and the root cause of their homelessness to develop an individualized success plan. Once we have identified the root causes of homelessness and co-occurring disorders, we begin a plan through intensive case management to tackle the issues. This program recognizes the breakdown happening and puts goals in action toward a permanent solution.

The overall effectiveness of our program is measured by how many clients leave the program sustainably housed. We completed 2024 at a 69% success rate despite the continued diminishing of affordable housing in our County for the elderly on fixed incomes. That is up from 57% in 2023. Success means that clients leave our facility and move into their housing with an income that can sustain them each month and that they do not need repeat services within that year.

Case management is vital to our residents' accountability. That is how we assess effectiveness toward their goals and sub-goals, allowing them to adopt healthy habits in a structured environment. A healthy routine builds stability and confidence, which begins to break destructive habits for long-term success. Therefore, daily assessment is necessary to ensure clients stay on target toward their end goal.

MATS would like to request **\$8,000** for this upcoming grant period. Thank you so much for the opportunity to apply for the yearly grant.

With Appreciation,

Tonya Polidoro Executive Director MATS, Inc.

733 W. Main Street • Morristown, TN 37814 PO Box 1618 • Morristown, TN 37816-1618 Tel: 423-587-9215 • Website: www.matstn.com

DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE DISTRICT DIRECTOR C - 1130 ATLANTA, GA 30301

Date:

DEC 2 3 1992

MORRISTOWN, TN 37816-1618

MINISTERIAL ASSOCIATION TEMPORARY

Employer Identification Number: 62-1324210 Contact Person: LORI HALL Contact Telephone Number: (404) 331-0190

Our Letter Dated: January 13, 1988 Addendum Applies: No

Dear Applicant:

SHELTER INC.

P 0 BOX 1618

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Paul Williams District Director

M.A.T.S., Inc. Profit & Loss Budget Overview July 2024 through June 2025

Jul '24 - Jun 25 **Ordinary Income/Expense** Income Contributions **Amazon Smile** 0.00 **Board-Employee Donations** 10,000.00 **Business** 5,000.00 Churches 30,000.00 1,000.00 **Civic Organizations Corporate Sponsors** 12,000.00 Individuals American Online Giving Foundati 0.00 Individuals - Other 21,000.00 21,000.00 **Total Individuals** Individuals - Restricted 0.00 **Total Contributions** 79,000.00 **Fund Raising Income** Bullmania 7,150.00 Concert Concert Ad's 5,000.00 **Concert Sponsors** 25,000.00 **Concession Sales** 175.00 Donations 650.00 **Concert - Other** 10,500.00 **Total Concert** 41,325.00 **Donor Appeal** 10,000.00 **Family Fun Day** Family Fun Day Sponsor 9,500.00 Fun Day Craft Vendor 425.00 Fun Day Food Vendor 375.00 **Painting Class** 0.00 Spray Tattoo's 0.00 Family Fun Day - Other 3,500.00 **Total Family Fun Day** 13,800.00 **Fundraising Miscellaneous** 0.00 **Giving Tuesday** 0.00 **Holiday Appeal** 20,000.00 Run - 5K **5K Sponsors** 8,950.00 Run - 5K - Other 6,000.00 Total Run - 5K 14,950.00 Turkeys **Spiral Hams** 7,500.00 **Turkey Sponsor** 6,150.00 Turkeys - Bake Sale 1,400.00 Vendor Booth 230.00

M.A.T.S., Inc. **Profit & Loss Budget Overview**

July 2024 through June 2025

	Jul '24 - Jun 25
Turkeys - Other	11,400.00
Total Turkeys	26,680.00
Total Fund Raising Income	133,905.00
Grants	
City of Morristown	8,000.00
ESG - State of Tennessee	125,000.00
FEMA - Hamblen Co.	5,300.00
FEMA - Jefferson County	6,584.00
GFWC	300.00
Hamblen County Commission	8,000.00
Keel Grant	4,000.00
Misc.	7,000.00
Presbyterian Hunger Grant	950.00
Un Way Hamblen County	77,500.00
Un Way Hawkins County	0.00
Un Way Jefferson County	2,110.00
Un Way of Grainger Co	1,000.00
Un Way of Greater Knoxville	0.00
Total Grants	245,744.00
Total Income	458,649.00
Cost of Goods Sold	
Cost of Fundraising	
Cost of 5K Run	7,020.00
Cost of Bullmania	400.00
Cost of Business Mailers	0.00
Cost of Concert	15,765.00
Cost of Donor Appeal	1,400.00
Cost of Family Fun Day	6,320.00
Cost of Holiday Appeal	1,400.00
Cost of Sponsorship	1,200.00
Cost of Turkeys	12,091.00
Total Cost of Fundraising	45,596.00
Total COGS	45,596.00
Gross Profit	413,053.00
Expense	
Advertising	
Facebook Ads	200.00
Advertising - Other	1,500.00
Total Advertising	1,700.00
Bank Service Charges	0.00
Communications	
Cell Phone	2,100.00
Telephone	3,084.00
Total Communications	5,184.00
Continuing Education	400.00

M.A.T.S., Inc. **Profit & Loss Budget Overview**

July 2024 through June 2025

	Jul '24 - Jun 25
Contract Labor	
AmeriCorp	4,500.00
Total Contract Labor	4,500.00
Direct Client Expense	
Direct Client Expense ESG	
Client APT Classes	1,500.00
Client Documents	750.00
Client transportation	1,500.00
Rapid Re-Housing Program	10,000.00
Total Direct Client Expense ESG	13,750.00
Total Direct Client Expense	13,750.00
Dues	
HMIS Monitoring Fee	2,500.00
Premium Only Section 125 Plan	540.00
Dues - Other	4,120.00
Total Dues	7,160.00
Employee Benefits	2,350.00
Equipment Rental	3,000.00
Food Expense	400.00
Giving Tuesday	0.00
Insurance	0.00
Building and Contents Insurance	12,000.00
Group Medical Insurance	12,850.00
Liability Insurance	1,020.00
Workers Comp. Ins.	4,200.00
Total Insurance	30,070.00
Payroll (FICA) Expenses	19,884.30
Personnel Expenses	19,004.30
Advertising	800.00
Background Checks	96.00
-	
Total Personnel Expenses	896.00
Postage and Delivery	400.00
Printing and Reproduction Professional Fees	300.00
Accounting	E 4E0 00
Ũ	5,450.00
Total Professional Fees	5,450.00
Repairs & Maintenance	5 000 00
Building Repairs & Maintance	5,000.00
Total Repairs & Maintenance	5,000.00
Salary Expense	
Salaries-Admin. Mgmt.	102,509.47
Salaries-Marketing	29,100.00
Salaries-Shelter Mgmt.	131,080.00
Total Salary Expense	262,689.47
Security	1,760.00

2:06 PM 02/17/25 Accrual Basis

M.A.T.S., Inc. **Profit & Loss Budget Overview**

July 2024 through June 2025

	Jul '24 - Jun 25
Supplies	
Bed Bug Extermination	500.00
Diagnostics	1,755.00
Dumpster (Trash Service)	1,500.00
Kitchen Supplies	300.00
Office Supplies	1,800.00
Shelter Supplies	
Volunteerism	100.00
Shelter Supplies - Other	4,000.00
Total Shelter Supplies	4,100.00
Total Supplies	9,955.00
Travel & Ent	
Meals	1,500.00
Travel	1,500.00
Total Travel & Ent	3,000.00
Utilities	
Water & Electric	25,785.00
Total Utilities	25,785.00
Total Expense	403,633.77
Net Ordinary Income	9,419.23
Other Income/Expense	
Other Income	
Interest Income	705.00
Interest Income - Brokerage	2,580.00
Total Other Income	3,285.00
Net Other Income	3,285.00
Net Income	12,704.23

MINISTERIAL ASSOCIATION TEMPORARY SHELTER, INC.

FINANCIAL STATEMENTS

Year ended June 30, 2024

MINISTERIAL ASSOCIATION TEMPORARY SHELTER, 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 Ministerial Association Temporary Shelter, Inc. Morristown, Tennessee

Opinion

We have audited the accompanying financial statements of Ministerial Association Temporary Shelter, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ministerial Association Temporary Shelter, Inc. as of June 30, 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 Ministerial Association Temporary Shelter, 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 Ministerial Association Temporary Shelter, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors Ministerial Association Temporary Shelter, Inc. Page Two

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 Ministerial Association Temporary Shelter, 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 Ministerial Association Temporary Shelter, 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, TN November 18, 2024

MINISTERIAL ASSOCIATION TEMPORARY SHELTER, INC. STATEMENT OF FINANCIAL POSITION June 30, 2024

ASSETS Cash Cash - restricted Contracts receivable Grants receivable Unconditional promises to give Prepaid expense Property and equipment, net Finance lease right-of-use asset Utility deposit Investments	\$	199,405 18,532 1,020 9,233 53,320 1,377 409,284 2,315 60 11,465 706,011
	<u> </u>	100,011
LIABILITIES AND NET ASSETS		
LIABILITIES Accounts payable Accrued payroll Accrued payroll taxes Annual leave Deferred revenue Finance lease liability	\$	8,218 2,205 4,779 7,188 9,425 2,315
TOTAL LIABILITIES		34,130
NET ASSETS Net assets without donor restrictions Undesignated Net assets with donor restrictions		600,030 71,851
TOTAL NET ASSETS		671,881
TOTAL LIABILITIES AND NET ASSETS	\$	706,011

MINISTERIAL ASSOCIATION TEMPORARY SHELTER, INC. STATEMENT OF ACTIVITIES Year ended June 30, 2024

REVENUE, GAINS AND OTHER SUPPORT	Without Donor Restrictions	With Donor Restrictions	Total
Contributions of cash and other financial assets			
United Way	\$ 37,320	\$ 37,319	\$ 74,639
Local governments	-	16,000	16,000
Donations	81,378	10,482	91,860
Emergency food & shelter program	11,883	-	11,883
Emergency shelter grant	136,000	-	136,000
Contributions of nonfinancial assets	62,200	-	62,200
Investment income	3,138	-	3,138
Unrealized gain on investments	1,449	-	1,449
Loss on equipment disposal	(2,803)		(2,803)
Special events revenue	96,603	-	96,603
Less: Cost of direct benefit to donors	(46,382)	-	(46,382)
Net assets released from restrictions			
Expiration of time restrictions	56,179	(56,179)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	436,965	7,622	444,587
EXPENSE			
Program services			
Shelter services	333,123	-	333,123
Supporting services	,		,
Management and general	71,169	-	71,169
Fundraising	30,127	-	30,127
5			
TOTAL EXPENSE	434,419		434,419
CHANGE IN NET ASSETS	2,546	7,622	10,168
NET ASSETS AT BEGINNING OF YEAR	597,484	64,229	661,713
NET ASSETS AT END OF YEAR	<u>\$ 600,030</u>	<u>\$71,851</u>	<u>\$ 671,881</u>

MINISTERIAL ASSOCIATION TEMPORARY SHELTER, INC. STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2024

				Supporting	Servi	ces	_			
	П		Man	onomont				Direct		
		rogram Services		agement General	Fur	draising		ndraising Costs		Total
Salaries	\$	163,852	\$	35,628	\$	15,373	\$	-	\$	214,853
Employee benefits	φ	6,006	φ	1,306	φ	564	φ	-	φ	214,855 7,876
Payroll taxes		12,417		2,700		1,165		-		16,282
Faylon taxes		<u> </u>		· · · · ·		· · · · ·				
Total salaries and related expenses		182,275		39,634		17,102		-		239,011
Utilities		21,853		2,701		-		-		24,554
Repairs and maintenance		7,919		-		-		-		7,919
Food donations		10,546		-		-		-		10,546
Telephone		3,521		766		330		-		4,617
Office expense		1,458		7,996		3,124		-		12,578
Insurance		13,744		1,999		301		-		16,044
Meals		47,167		-		-		-		47,167
Professional fees		-		5,450		-		-		5,450
Supplies		8,543		-		-		-		8,543
Contract labor		4,500		-		-		-		4,500
Monitoring fee		2,500		-		-		-		2,500
Travel		-		3,132		-		-		3,132
Direct client expense		12,907		-		-		-		12,907
Security		878		108		-		-		986
Advertising		-		662		9,270		-		9,932
Dues and registration		-		4,574		-		-		4,574
Interest expense		-		141		-		-		141
Bad debt expense		-		750		-		-		750
Depreciation		15,312		1,892		-		-		17,204
Amortization		-		1,364		-		-		1,364
Cost of direct benefit to donors		-		-		-		46,382		46,382
TOTAL EXPENSE		333,123		71,169		30,127		46,382		480,801
Less expenses included with revenue on the statement of activities		_						(46,382)		(46,382)
Total expenses included in the expense section of the statement of activities	\$	333,123	\$	71,169	\$	30,127	\$		\$	434,419

See accompanying notes to financial statements.

MINISTERIAL ASSOCIATION TEMPORARY SHELTER, INC. STATEMENT OF CASH FLOWS Year ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES Change in net assets Adjustments to reconcile change in net assets to net cash provided by operating activities:	\$ 10,168
Depreciation Bad debt Loss on disposal of fixed assets Gain on investments Contribution of other financial asset	17,204 750 2,803 (1,450)
Amortization of right-of-use asset - finance lease Changes in operating assets:	(11,465) 1,364
Contracts receivable Unconditional promises to give Grants receivable Prepaid expense Investments	1,865 2,895 (1,922) 11,329 (1,483)
Changes in operating liabilities: Accounts payable Accrued payroll Accrued payroll taxes Annual leave Deferred revenue	 88 884 (2,539) 1,381 2,731
NET CASH PROVIDED BY OPERATING ACTIVITIES	34,603
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of property and equipment	(83,649)
CASH FLOWS FROM FINANCING ACTIVITIES Principal reduction in lease liability - finance lease	 (1,364)
NET DECREASE IN CASH	(50,410)
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	 268,347
CASH AND RESTRICTED CASH AT END OF YEAR	\$ 217,937
Supplemental Disclosures:	
Interest paid	\$ 42

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Ministerial Association Temporary Shelter, Inc. was organized as a non-profit corporation under the laws of the State of Tennessee in 1987. The Organization provides shelter on a temporary basis for homeless men, women, and children in Hamblen County and the surrounding area.

Basis of Accounting

The financial statements of Ministerial Association Temporary Shelter, 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 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 and fundraising events that are considered nonreciprocal transactions and accounted for as contributions.

Concentrations of Credit Risk

The Organization's concentrations of credit risk consist principally of promises to give. 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.

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 portion 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 revenues from special events at a point in time upon transfer of the good or service.

Contracts Receivable

Contracts receivable are stated at the amount management expects to collect from outstanding balances. Historically, differences between the amounts billed and collected have been insignificant. Accordingly, no provision is made for uncollectible amounts.

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 Organization's capitalization policy is \$2,500.

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 K - Contributed Nonfinancial Assets for estimated fair value of donations made during the year ended June 30, 2024.

During the year ended June 30, 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.

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 and certificates of deposit to be cash equivalents. The Organization had no cash equivalents at June 30, 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 June 30, 2024:

Operations Restricted	\$	199,405 18,532
Total cash and restricted cash	<u>\$</u>	217,937

Advertising

The Organization expenses the cost of advertising as it is incurred. Advertising expense for the year ended June 30, 2024, was \$9,932.

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, 2024.

Property Taxes

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

<u>Leases</u>

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. A ROU asset and lease liability is not recognized for leases with a term of 12 months or less and lease expense for these leases are recognized on a straight-line basis over the lease term.

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.

Subsequent Events

The Organization evaluated subsequent events through November 18, 2024, the date the financial statements were available to be issued.

NOTE B – RECEIVABLES

Contracts receivable of \$1,020 at June 30, 2024, consists of amounts due from various sponsorships. No allowance for uncollectible contracts receivable was considered necessary.

Grants receivable of \$9,233 at June 30, 2024, consists of amounts due from the Emergency Shelter Grant and local FEMA agencies. Differences between amounts allocated and collected from grants receivable have historically been insignificant. Accordingly, no provision is made for uncollectible amounts.

NOTE C – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2024, consist of the following:

United Way Hamblen County	\$ 37,320 16,000
	\$ 53,320

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 – DEFERRED REVENUE AND PREPAID EXPENSE

The Organization conducted a concert in August of 2024, subsequent to year end. As a result, \$9,425 in deferred revenue and \$1,377 in prepaid expenses have been incurred as of June 30, 2024. Deferred revenues relate to prepayment of advertisements and sponsorships. Prepaid expenses relate to the down payment for the performers and initial setup costs.

NOTE E – FUNDING

Ministerial Association Temporary Shelter, Inc. receives a substantial amount of support from United Way, federal, state and local governments, and public support for operations. A major reduction of funds by the public and grantor agencies, should this occur, may have a significant effect on future operations.

NOTE F – ANNUAL LEAVE PAYABLE

The estimated value of annual leave accrued but not taken amounted to \$7,188 at June 30, 2024. 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 G – PROPERTY AND EQUIPMENT

Land, buildings, and equipment are stated at cost or estimated fair market value if donated and on June 30, 2024, consisted of the following:

Land	\$	178,300
Building		240,523
Furniture and equipment		100,285
		519,108
Less accumulated depreciation		(109,824)
Net property and equipment	<u>\$</u>	409,284

Depreciation expense for the year ended June 30, 2024, was \$17,204.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

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

United Way funding for 2024	\$ 37,319
Hamblen County funding for 2024	16,000
Day Center	9,982
Warming Station	 8,550
	\$ 71,851

NOTE I – LIQUIDITY

Ministerial Association Temporary Shelter, Inc. has \$228,190 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 \$217,937, grants receivable of \$9,233, and contracts receivable of \$1,020. 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 Organization has unconditional promises to give in the amount of \$53,320 restricted by time that is due to be collected within one year. When payment is received, the funds can be used for general expenditures.

NOTE J – REVENUE FROM CONTRACTS WITH CUSTOMERS

Disclosure of Disaggregated Revenue

For the year ended June 30, 2024, revenues recognized from goods or services transferred to customers at a point in time were \$46,382.

For the year ended June 30, 2024, 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 the client agreements.

Disclosure of Contract Assets, Contract Liabilities, and Receivables

The Organization had no contract assets or liabilities from contracts with customers at June 30, 2024 and 2023.

The Organization had contracts receivable from contracts with customers in the amount of \$1,020 at June 30, 2024, and \$700 at 2023. Contracts receivable that are considered bad debts are written off in the year that they are determined to be uncollectible. At June 30, 2024, the Organization believes all contracts receivable are collectible and has not recorded a reserve for bad debts.

NOTE K – CONTRIBUTED NONFINANCIAL ASSETS

For the year ended June 30, 2024, contributed nonfinancial assets recognized within the Statement of Activities included:

Food	\$ 57,340
Real estate commissions	4,200
Pest control	660
	<u>\$ 62,200</u>

Ministerial Association Temporary Shelter, Inc. reports the fair value of donated rescue food and grocery products over which it has control and received from Second Harvest Food Bank as unrestricted public support and, shortly thereafter, as expense when either used by the agency or granted to other local 501(c)(3) agencies. During the year ended June 30, 2024, the Organization received approximately 34,150 pounds of donated product from Second Harvest Food Bank of which 4,440 pounds was discarded as unusable, 24,246 pounds was used by the Organization, and the remaining 5,464 pounds was donated to other agencies and/or needy individuals. The approximate average wholesale value of one pound of rescued product was determined to be \$1.93 during calendar year 2023 as reported by annual financial statements of Feeding America.

For the year ended June 30, 2024, the dollar amount of the poundage used by the Organization was approximately \$46,794 and \$10,546 was given to other agencies and/or needy individuals for a total of \$57,340.

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 contributed nonfinancial assets of pest control services and supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed pest control services and real estate services were utilized in program services to provide shelter to victims of homelessness.

NOTE L – FINANCING LEASE

The Organization leases a copier under a 60-month financing lease agreement with Canon that began in March 2021. The payments are \$117 a month, plus small charges for additional copies.

The following table reconciles the future minimum undiscounted lease payments to the lease liabilities reported within the Statement of Financial Position as of June 30, 2024:

Years ending June 30, 2025 2026	\$ 1,406 937
Total lease payments Less discount/interest	2,343 (28)
Present value of lease liabilities	<u>\$ 2,315</u>

The following tables provide quantitative information concerning the Organization's leases for the year ended June 30, 2024:

Lease Cost Finance Lease Cost Amortization of right-of-use assets expense Interest on lease liabilities expense	\$ 1,364 42
Total lease cost	<u>\$ 1,406</u>
Other Information Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating cash flows from finance leases Financing cash flows from finance leases Weighted-average remaining lease term - finance lease Weighted-average discount rate - finance lease	<u>\$42</u> <u>\$1,364</u> 1.7 years 1.37%

NOTE M – INVESTMENTS

For assets and liabilities required to be measured at fair value, the Organization measures fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. Fair value measurements are applied based on the unit of account from the Organization's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

The Organization follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correction or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Investments at June 30, 2024, consist of the following:

			Unrealized
	Fair	Investment	Appreciation
	Value	Cost Basis	(Depreciation)
Marketable Equity Securities	\$11,465	\$10,016	\$1,449

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. No restrictions or designations exist on these funds as of June 30, 2024.

Dividend income from the securities for the year ended June 30, 2024 was \$33.