

FINANCE DEPARTMENT

February 11, 2025

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

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,

amauda Halo

Amanda Hale Hamblen County Finance Director

2024-2025 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



865-453-9254 Fax 865-429-5174

636 Middle Creek Road, Suite 3 Sevierville, Tennessee 37862 24-HOUR CRISIS LINE: **1-800-244-5968** 

Providing help for victims of domestic violence

February 20, 2025

Amanda Hale Hamblen County Finance Director 511 West Second North Street Morristown, TN 37814

Dear Amanda:

We are very grateful for the continued support of the City of Morristown. With your financial support, we served 29 residents of Morristown this past fiscal year. Fourteen of whom were in our shelter for a total of 221 bed nights and 15 of whom did not need shelter but were assisted with individual counseling and/or legal advocacy.

We are requesting our current amount of funding in the amount of \$10,000.00 in your upcoming 2025-2026 budget.

Thank you in advance for your consideration of this request. Please do not hesitate to contact me should you have any questions.

Sincerely,

Van M. Wolfe Executive Director



#### OGDEN UT 84201-0038

In reply refer to: 0441728362 Mar. 24, 2009 LTR 4168C E0 58-1537647 000000 00 000 00034000 BODC: TE

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

3056

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 Bington

Deborah Bingham Accounts Management I

# SAFESPACE, INCORPORATED

FINANCIAL STATEMENTS

Year ended June 30, 2024

# SAFESPACE, INCORPORATED

# TABLE OF CONTENTS

# <u>Page</u>

# INDEPENDENT AUDITOR'S REPORT......1

# FINANCIAL STATEMENTS

Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

# 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 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 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, 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 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.

To the Board of Directors Safespace, Incorporated 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 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 22, 2024

# SAFESPACE, INCORPORATED STATEMENT OF FINANCIAL POSITION June 30, 2024

ASSETS Cash Grants receivable Unconditional promises to give Investments Prepaid expenses Property and equipment, net Operating lease right-to-use asset Finance lease right-to-use asset, net	<ul> <li>\$ 417,538</li> <li>38,447</li> <li>6,000</li> <li>215,046</li> <li>12,500</li> <li>612,318</li> <li>16,359</li> <li>4,131</li> </ul>
TOTAL ASSETS	<u>\$ 1,322,339</u>
LIABILITIES AND NET ASSETS LIABILITIES Accounts payable Accrued payroll liabilities Accrued annual leave Line of credit payable Operating lease liability Finance lease liability	\$ 1,090 377 7,610 503 16,359 4,131
TOTAL LIABILITIES	30,070
NET ASSETS Net assets without donor restrictions Undesignated Net assets with donor restrictions TOTAL NET ASSETS	1,286,269 6,000 1,292,269
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,322,339</u>

# SAFESPACE, INCORPORATED

# STATEMENT OF ACTIVITIES

Year ended June 30, 2024

REVENUE, GAINS AND OTHER SUPPORT	Without Donor Restrictions	With Donor Restrictions	Total
		Restrictions	Total
Contributions of cash and other financial assets		• • • • • •	• • • • • •
United Way	\$ 26,110	\$ 6,000	\$ 32,110
Local governments	88,100	-	88,100
Donations and grants	232,176	-	232,176
Special events	46,525	-	46,525
Emergency Food and Shelter Program	20,626	-	20,626
Office of Criminal Justice Program	,		
Family Violence Services	182,180	-	182,180
Victims of Crime Act	174,520	_	174,520
Contributions of nonfinancial assets	12,000	_	12,000
Interest income	10,357	_	10,357
Dividend income	877	_	877
Gain on investments		-	
	7,388	-	7,388
Loss on disposal of fixed asset	(200)	-	(200)
Net assets released from restrictions	40.075		
Expiration of time restrictions - United Way	12,375	(12,375)	
TOTAL REVENUE, GAINS AND			
OTHER SUPPORT	813,034	(6,375)	806,659
	,		,
EXPENSE			
Program services			
Domestic violence	501,646	_	501,646
Supporting services	301,040		501,040
	80,987		00 007
Management and general	•	-	80,987
Fundraising	17,352		17,352
TOTAL EXPENSE	599,985		599,985
CHANGE IN NET ASSETS	213,049	(6,375)	206,674
NET ASSETS AT BEGINNING OF YEAR	1,073,220	12,375	1,085,595
	·	<u>.</u>	<u> </u>
NET ASSETS AT END OF YEAR	\$1,286,269	\$ 6,000	\$1,292,269
	. , -,		. , _,

# SAFESPACE, INCORPORATED STATEMENT OF FUNCTIONAL EXPENSES Year ended June 30, 2024

# Supporting Services

	Progran Service		agement <u>General</u>	Fur	ndraising	 Total
Salaries Employee benefits Payroll taxes	\$ 306,2 40,1 22,5	143	\$ 51,567 6,760 3,796	\$	11,627 1,524 857	\$ 369,408 48,427 27,195
Total salaries and related expenses	368,8	399	62,123		14,008	445,030
Utilities	9,1	26	1,525		-	10,651
Rent	30,2	234	5,092		1,148	36,474
Maintenance	5,5	543	-		-	5,543
Communications	16,6	686	1,854		-	18,540
Travel	6,3	382	343		137	6,862
Postage and printing		-	698		1,691	2,389
Training	1	133	-		-	133
Professional services		-	5,331		-	5,331
Insurance	16,0	)10	2,101		144	18,255
Interest	2	233	-		-	233
Victim assistance	6	628	-		-	628
Dues and subscriptions	1,5	518	-		-	1,518
Supplies	4,6	646	1,920		224	6,790
Advertising	2	282	-		-	282
Food	4,3	347	-		-	4,347
Depreciation	35,9	900	-		-	35,900
Amortization	1,0	)7 <u>9</u>	 		_	 1,079
TOTAL EXPENSE	\$ 501,6	646	\$ 80,987	\$	17,352	\$ 599,985

# SAFESPACE, INCORPORATED 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:	\$	206,674
Depreciation Amortization of right-of-use asset - finance lease Loss on disposal of fixed asset Contribution of other financial asset Gain on investment Changes in operating assets: Grants receivable Unconditional promises to give Prepaid expenses Changes in operating liabilities: Accounts payable Accrued payroll liabilities Annual leave payable		35,900 1,079 200 (37,743) (7,388) 20,988 6,375 (1,669) (2,979) 288 1,902
NET CASH PROVIDED BY OPERATING ACTIVITIES		223,627
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of certificates of deposit Purchase of fixed assets NET CASH USED IN INVESTING ACTIVITIES		(144,066) (31,029) (175,095)
CASH FLOWS FROM FINANCING ACTIVITIES Principal reduction in lease liability - finance lease		(1,079)
NET INCREASE IN CASH		47,453
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR		370,085
CASH AND RESTRICTED CASH AT END OF YEAR	\$	417,538
<u>SUPPLEMENTAL DISCLOSURES:</u> Interest paid Noncash investing activities: Contributed fair market value of stock	\$ \$	47 37,743

# 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 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.

### 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, 2024.

#### 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, 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. These donated services constitute a significant factor in the operation of the Organization.

#### <u>Advertising</u>

The Organization expenses the cost of advertising as it is incurred. Advertising expense for the year ended June 30, 2024 is \$282.

#### 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.

#### Subsequent Events

The Organization evaluated subsequent events through November 22, 2024, 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 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.

#### <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. 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 \$455,985 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 \$417,538 and grants receivable of \$38,447. 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 Organization has unconditional promises to give in the amount of \$6,000 restricted by time and when payment is received can be used for general expenditures. The Organization maintains one line of credit in order to meet financial needs due to any shortages of financial assets that may arise. The amount of remaining funds available to use as of June 30, 2024, is \$49,497.

#### NOTE C – GRANTS RECEIVABLE

Grants receivable consist of the following:

Office of Criminal Justice Programs -		
Victims of Crime Act	\$	10,096
Family Violence		7,874
Emergency Food and Shelter Programs -		
Hamblen County		(153)
Sevier County		1,638
Jefferson County		3,292
Victim Assistance -		
Jefferson County		3,611
Grainger County		1,289
Pettway Grant		10,800
	•	~ ~ ~ ~
	<u>\$</u>	<u>38,447</u>

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

## NOTE D – ANNUAL LEAVE PAYABLE

The estimated value of annual leave accrued but not taken amounted to \$7,610 at June 30, 2024, 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, 2024, consisted of the following:

Land	\$	131,513
Building and improvements		799,056
Furniture and equipment		70,985
Vehicles		<u>40,568</u>
		1,042,122
Less accumulated depreciation		(429,804)
Net property and equipment	<u>\$</u>	612,318

Depreciation expense for the year ended June 30, 2024, was \$35,900.

#### NOTE F – LINE OF CREDIT

The Organization has a \$50,000 revolving line of credit, of which \$503 was used at June 30, 2024. The credit line is unsecured and accrues interest at a variable rate. The rate of interest at June 30, 2024, is 8.5%.

Interest relating to this line of credit during the year is \$47, none of which has been capitalized.

#### NOTE G – UNCONDITIONAL PROMISES TO GIVE

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

United Way funding – Hamblen County <u>\$ 6,000</u>

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.

### 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, 2024:

Years ending June 30,	
2025	1,265
2026	1,265
2027	1,265
2028	634
Total lease payments	4,429
Less: Discount/interest	<u>(298)</u>
Present value of lease liabilities	<u>\$ 4,131</u>

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

Lease Cost Finance Lease Cost	
Amortization of right-of-use asset expense Interest on lease liabilities expense	\$  1,079 <u>    186</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 Financing cash flows from finance leases Weighted-average remaining lease term – finance lease Weighted-average discount rate - finance lease	<u>\$ 186</u> <u>\$ 1,079</u> 3.5 years 3.94%

### 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. Minimum future lease payments required under the operating lease are described in the table below.

Minimum future operating lease payments required are as follows:

2025	\$	16,800
Less: Interest		(441)
Present value of net minimum lease payments	<u>\$</u>	<u> 16,359</u>

At June 30, 2024, the weighted-average remaining lease term for the operating lease is 12 months and the weighted-average discount rate associated is 4.94%. 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, 2024, is \$36,474.

# 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 \$6,404 for the year ended June 30, 2024.

#### NOTE K – CONTRIBUTED NONFINANCIAL ASSETS

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

Use of property

<u>\$ 12,000</u>

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.

### 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, 2024 <u>\$ 6,000</u>

#### NOTE M – INVESTMENTS

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

			Unrealized
	Fair	Investment	Appreciation
	Value	Cost Basis	(Depreciation)
Marketable Equity Securities	\$71,163	\$ 62,987	\$ 8,176
Certificates of Deposit	143,710	144,000	(290)
Cash	173	173	
Totals	<u>\$215,046</u>	<u>\$207,160</u>	<u>\$ 7,886</u>

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.

During the year, the Organization received marketable security of \$37,743, the fair value at the time of donation.

Dividend income from the securities for the year ended June 30, 2024 was \$877. During the audit period, the Organization also recognized \$7,388 of unrealized gains.

#### NOTE N – CONCENTRATIONS OF CREDIT RISK

Deposits in excess of FDIC insured limits subject the Organization to credit risk. At June 30, 2024, the Organization's cash balance at one financial institution exceeded the insured limits by \$169,769.

### NOTE O – REVENUE FROM CONTRACTS WITH CUSTOMERS

#### **Disclosure of Disaggregated Revenue**

For the year ended June 30, 2024, there were no revenues recognized from goods or services transferred to customers at a point in time.

For the years 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 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, 2024 and 2023.

# **BOARD OF DIRECTORS APPROVED SAFESPACE BUDGET FY 2024-2025**

# EXPENSE:

Total Expenses:	\$608,721.00
Membership & Public Relations	\$3,700.00
Victim Services	\$4,000.00
Client Database	\$6,200.00
Telephone & Internet	\$12,000.00
Equipment & Maintenance	\$20,471.00
Supplies & Program Supplies	\$17,000.00
Rent & Utilities	\$37,000.00
Training	\$2,000.00
Travel	\$7,200.00
Postage & Printing	\$1,400.00
Professional fees & Insurance	\$26,150.00
Benefits & Taxes	\$86,600.00
Salaries	\$385,000.00

#### **INCOME:**

Individual & Community Donations	\$46,500.00
County & City Governments	\$88,000.00
OCJP (VOCA, FVPSA & FVPSA ARP) Grants	\$302,066.00
United Way & EFSP	\$54,655.00
Fundraising Events	\$8,500.00
Grants	\$45,000.00
Victim Assistance Assessment	\$43,000.00
Special Programs	\$6,000.00
Interest / Dividends	<u>\$15,000.00</u>
Total Income:	\$608,721.00