



STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2023 and 2022

**STOP THE ADDICTION FATALITY EPIDEMIC
(SAFE) PROJECT US**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Stop the Addiction Fatality Epidemic
(SAFE) Project US
Arlington, Virginia

Opinion

We have audited the accompanying financial statements of Stop the Addiction Fatality Epidemic (SAFE) Project US (SAFE Project), which comprise the statement of financial position as of December 31, 2023 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 SAFE Project as of December 31, 2023, 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 The Aslan Project 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.

Prior Period Financial Statements

The financial statements of SAFE Project as of and for the year ended December 31, 2022 were audited by other auditors, who expressed an unqualified opinion on those financial statements in their report dated May 3, 2023.

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 SAFE Project'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 SAFE Project'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 SAFE Project'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.



HAN GROUP LLC
Washington, DC
September 24, 2024

**STOP THE ADDICTION FATALITY EPIDEMIC
(SAFE) PROJECT US**

Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,288,339	\$ 2,716,085
Accounts receivable	3,904	3,050
Contributions and grants receivable	274,353	558,234
Prepaid expenses	3,233	2,942
Total current assets	<u>4,569,829</u>	<u>3,280,311</u>
Non-current Assets		
Website and application software, net	103,310	138,369
Security deposit	1,845	1,845
Total non-current assets	<u>105,155</u>	<u>140,214</u>
Total assets	<u>\$ 4,674,984</u>	<u>\$ 3,420,525</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 27,747	\$ 7,709
Deferred revenue	8,000	-
Total liabilities	<u>35,747</u>	<u>7,709</u>
Net Assets		
Without donor restrictions	4,507,237	2,912,816
With donor restrictions	132,000	500,000
Total net assets	<u>4,639,237</u>	<u>3,412,816</u>
Total Liabilities and Net Assets	<u>\$ 4,674,984</u>	<u>\$ 3,420,525</u>

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US

Statements of Activities

Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions	\$ 2,868,064	\$ 30,000	\$ 2,898,064	\$ 2,558,013	\$ -	\$ 2,558,013
Sponsorship contributions	415,000	-	415,000	-	-	-
Grants	-	132,000	132,000	500,000	500,000	1,000,000
Teaching and technical income and fees for services	51,453	-	51,453	113,897	-	113,897
Donated services revenue	50,000	-	50,000	-	-	-
Interest income	178,100	-	178,100	14,782	-	14,782
Other income	3,370	-	3,370	-	-	-
Net assets released from restrictions	530,000	(530,000)	-	-	-	-
Total revenue and support	4,095,987	(368,000)	3,727,987	3,186,692	500,000	3,686,692
Expenses						
Program services	2,134,743	-	2,134,743	1,959,468	-	1,959,468
General and administrative	205,082	-	205,082	227,129	-	227,129
Fundraising	161,741	-	161,741	124,017	-	124,017
Total expenses	2,501,566	-	2,501,566	2,310,614	-	2,310,614
Changes in Net Assets	1,594,421	(368,000)	1,226,421	876,078	500,000	1,376,078
Net Assets , beginning of year	2,912,816	500,000	3,412,816	2,036,738	-	2,036,738
Net Assets , end of year	\$ 4,507,237	\$ 132,000	\$ 4,639,237	\$ 2,912,816	\$ 500,000	\$ 3,412,816

See accompanying notes.

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US

Statements of Functional Expenses

Years Ended December 31, 2023 and 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Labor and related costs:								
Salaries and wages	\$ 1,307,221	\$ 102,938	\$ 123,004	\$ 1,533,163	\$ 1,209,352	\$ 118,512	\$ 92,786	\$ 1,420,650
Employee fringe benefits	61,827	9,195	5,844	76,866	60,291	14,691	5,534	80,516
Payroll taxes	74,772	35,159	6,428	116,359	64,691	36,034	4,064	104,789
Contractors	115,609	-	-	115,609	138,250	16,500	-	154,750
Total labor costs	1,559,429	147,292	135,276	1,841,997	1,472,584	185,737	102,384	1,760,705
Direct program activities:								
Participant direct costs	72,030	-	-	72,030	66,312	-	-	66,312
Educational conferences and materials	164,864	75	701	165,640	124,486	250	732	125,468
Information technology and communications	42,060	785	-	42,845	13,125	709	-	13,834
Travel for events	78,023	7,207	3,010	88,240	46,447	2,832	420	49,699
Total direct program activities	356,977	8,067	3,711	368,755	250,370	3,791	1,152	255,313
Other expenses:								
Accounting and professional fees	85,245	28,255	-	113,500	56,800	21,802	-	78,602
Administration and management fees	-	9,036	-	9,036	-	8,409	-	8,409
Advertising	63,385	-	-	63,385	54,626	-	4,164	58,790
Amortization	35,059	-	-	35,059	46,891	-	-	46,891
Charitable contributions	1,030	-	-	1,030	-	-	-	-
Graphic design	2,300	-	-	2,300	6,950	-	-	6,950
Insurance	4,065	9,346	93	13,504	8,478	-	-	8,478
Legal	313	308	8,784	9,405	400	113	7,171	7,684
Merchant fees	1,033	-	9,162	10,195	585	-	4,287	4,872
Office supplies and expenses	15,787	1,327	1,340	18,454	14,727	2,430	1,455	18,612
Other business expenses	2,791	-	143	2,934	-	-	-	-
Postage and delivery	779	321	34	1,134	2,009	47	379	2,435
Rent	6,448	1,025	3,198	10,671	42,354	4,800	2,650	49,804
Training	102	105	-	207	2,694	-	375	3,069
Total other expenses	218,337	49,723	22,754	290,814	236,514	37,601	20,481	294,596
Total Expenses	\$ 2,134,743	\$ 205,082	\$ 161,741	\$ 2,501,566	\$ 1,959,468	\$ 227,129	\$ 124,017	\$ 2,310,614

See accompanying notes.

**STOP THE ADDICTION FATALITY EPIDEMIC
(SAFE) PROJECT US**

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 1,226,421	\$ 1,376,078
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	35,059	46,891
Change in operating assets and liabilities:		
Accounts receivable	(854)	(2,444)
Contributions and grants receivable	283,881	(512,295)
Prepaid expense	(291)	(2,942)
Security deposit	-	19,005
Accounts payable and accrued expenses	20,038	(22,659)
Deferred revenue	8,000	
	<u>1,572,254</u>	<u>901,634</u>
Net cash provided by operating activities		
Cash Flows from Investing Activities		
Cash paid for website and application software	-	(1,000)
	<u>-</u>	<u>(1,000)</u>
Net cash used in investing activities		
Net Increase in Cash and Cash Equivalents	1,572,254	900,634
Cash and Cash Equivalents, beginning of year	<u>2,716,085</u>	<u>1,815,451</u>
Cash and Cash Equivalents, end of year	<u>\$ 4,288,339</u>	<u>\$ 2,716,085</u>

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US

Notes to Financial Statements
December 31, 2023 and 2022

1. Nature of the Organization and Programs

Stop the Addiction Fatality Epidemic (SAFE) Project US (SAFE Project) is a national nonprofit, public charity formed in the State of Virginia in 2018. SAFE Project was created to support action that will overcome mental health challenges, substance misuse, overdoses and the addiction epidemic facing our country. SAFE Project's team of experts strive for meaningful action through various programs and lead efforts that are unifying, non-partisan, and evidence based. SAFE Project seeks meaningful metrics that strengthen the interdependent programs, and ultimately aims to achieve SAFE communities, campuses, workplaces, and support for our military-connected families.

Programs:

- SAFE Communities: SAFE Communities initiative collaborates directly with individual communities across the country to assist their fight to address the substance misuse and addiction epidemic. Through a series of programs, SAFE Project provides communities with individualized programming, technical assistance, and resources to achieve success.
- SAFE Campuses: SAFE Campuses provides programming and technical assistance to all postsecondary institutions and their students. SAFE Campuses works directly with individual campus leaders to provide the tools and resources needed to support students through all levels of the continuum of care. In addition to helping post-secondary institutions build supportive environments, SAFE Project works directly with students in recovery to ensure they receive the support and connection needed to end addiction and promote recovery.
- SAFE Choices: The SAFE Choices initiative works directly with primary and secondary schools, students and their families to provide training to build resilience and coping skills, as well as education on the risks and signs of substance use disorder. The SAFE Choices program also provides resources for educators and youth-serving organizations to assist in their work to establish programs that can overcome mental health challenges, substance misuse and addiction.
- SAFE Workplaces: The SAFE Workplaces initiative works directly with individual businesses to help identify substance use disorder as a risk to the workplace and an employee's home. The SAFE Workplaces program provides each business with the tools and resources to protect their employees and their families.
- SAFE Veterans: The SAFE Veterans initiative provides immediate support to the unique needs of active-duty service members, veterans, their families, and caregivers. Each of these military-connected individuals face special pressures to their mental health and wellness. The SAFE Veterans program identifies the risks and targets immediate solutions to ensure that individualized resiliency and coping skills are made available. The SAFE Veterans initiative also provides a series of programs tailored to the individualized nature of these individuals to provide greater support towards identifying risk factors, applying coping skills and engaging in self-help while building resilience skills.

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US

Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, whereby revenue is recognized when earned and expenses are recognized when incurred.

Adoption of New Accounting Standards

Measurement of Credit Losses on Financial Instruments

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Association that are subject to the guidance in FASB Accounting Standards Codification (ASC) Topic 326 were trade accounts receivable.

SAFE Project adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures only.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and savings account and short-term highly liquid investments, with original maturities of 90 days or less, designated for use in operations.

Property, Equipment, and Website

Property and equipment are stated at cost. Individual purchases of tangible property and improvements with a useful life of greater than one year and a cost basis of \$1,000 or greater, are capitalized on the straight-line basis over the estimated useful lives of the assets. Website and application software development costs are amortized over an estimated three-year useful life. Repairs and maintenance are expensed when incurred. When property and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts with any resulting gain or loss included in the statements of activities.

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US

Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets of SAFE Project and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.
- *Net Assets With Donor Restrictions* consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. SAFE Project reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. As of December 31, 2023 and 2022, net assets with donor time restrictions were \$0 and \$500,000, respectively. As of December 31, 2023 and 2022, net assets with donor purpose restrictions were \$132,000 and \$0, respectively.

Contributions and Grants Receivable

Contributions and grants receivable consist of unconditional promises to give and are recorded at the earlier of the date received or the date of receipt of a donor's non-contingent promises or pledge. Unconditional promises to give that are expected to be collected in one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The discount will be recognized as contribution revenue in future fiscal years as the discount is amortized over the duration of the contributions. SAFE Project's contributions and grants receivable as of December 31, 2023 and 2022 were \$274,353 and \$558,234, respectively. Based on management's evaluation of and expectation to collect the contributions and grants receivable within one year, no allowance for doubtful accounts was deemed necessary.

Accounts Receivable

Accounts receivable represents amounts due from SAFE Project's teaching and technical assistance income and fees for services. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. As of December 31, 2023, there was no allowance for credit losses recognized.

2. Summary of Significant Accounting Policies (continued)

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US

Notes to Financial Statements
December 31, 2023 and 2022

Revenue Recognition

SAFE Project recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenue without donor restrictions or revenue with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenue without donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Technical assistance income and fees for services revenue are recognized when the services are incurred. Interest income is recognized as revenue when earned.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. The financial statements report expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort except for direct costs associated with specific programs, which are recorded as expenses for the program benefited.

Advertising

SAFE Project expenses advertising for their programs as they are incurred. For the years ended December 31, 2023 and 2022, advertising expense totaled \$63,385 and \$58,790, respectively.

Income Taxes

SAFE Project is exempt from federal and state income taxes (except on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes has been recorded for the years ended December 31, 2023 and 2022, since SAFE Project had no taxable income from unrelated business activities.

The income tax position taken by SAFE Project for any years open under the various statutes of limitations is that SAFE Project continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. SAFE Project believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of SAFE Project's federal or state income tax returns are currently under examination.

**STOP THE ADDICTION FATALITY EPIDEMIC
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Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Website and Application Software

The cost of the website, online application and accumulated amortization consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Website	\$ 194,155	\$ 194,155
Application software	<u>204,000</u>	<u>204,000</u>
Total cost	398,155	398,155
Less: accumulated amortization	<u>(294,845)</u>	<u>(259,786)</u>
Website and application software, net	<u>\$ 103,310</u>	<u>\$ 138,369</u>

For the years ended December 31, 2023 and 2022, amortization expense totaled \$35,059 and \$46,891, respectively.

4. Donated Services

For the year ended December 31, 2023, the fair value of donated services totaling \$50,000 is included in the donated services revenue. The value of donated services is based on current market rates for similar services. All donated services received by SAFE Project for the year ended December 31, 2023 were considered without donor restrictions and were available to be used by SAFE Project as determined by the Board of Directors and management. There were no donated services for the year ended December 31, 2022.

During the year ended December 31, 2023, the amount of donated advertising services applicable to the promotion of SAFE Project's "No Shame" campaign totaled \$50,000 which is included in advertising in the statement of functional expenses and reported as a program expense.

**STOP THE ADDICTION FATALITY EPIDEMIC
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Notes to Financial Statements
December 31, 2023 and 2022

5. Net Assets With Donor Restrictions

The following are activities in net assets with donor restrictions for the year ended December 31, 2023:

	Beginning Balance	Additions	Released from Restrictions	Ending Balance
Trott Family Philanthropies	\$ 500,000	\$ -	\$ (500,000)	\$ -
California Foundation for Stronger Communities	-	30,000	(30,000)	-
Balmes Foundation	-	10,000	-	10,000
Marian and Pink Happ Fund	-	12,000	-	12,000
Susan Morrow Legacy Foundation	-	10,000	-	10,000
Virginia Department of Veteran Affairs	-	100,000	-	100,000
Total	<u>\$ 500,000</u>	<u>\$ 162,000</u>	<u>\$ (530,000)</u>	<u>\$ 132,000</u>

The following are activities in net assets with donor restrictions for the year ended December 31, 2022:

	Beginning Balance	Additions	Released from Restrictions	Ending Balance
Trott Family Philanthropies	\$ -	\$ 500,000	\$ -	\$ 500,000
Total	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>

6. Retirement Plan

SAFE Project maintains a discretionary contribution retirement plan for the benefit of its eligible employees, which qualifies under the Internal Revenue Code Section 401(k). There were no employer contributions during the years ended December 31, 2023 and 2022.

7. Commitments

SAFE Project has signed a membership agreement with an organization that offers workplace solutions to rent office space, conference space, and administrative support on a month-to-month basis. Rent expense for office space for the years ended December 31, 2023 and 2022 totaled \$10,671 and \$49,804, respectively.

**STOP THE ADDICTION FATALITY EPIDEMIC
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Notes to Financial Statements
December 31, 2023 and 2022

8. Concentrations

Credit Risk

Financial instruments that potentially subject SAFE Project to credit risk include cash deposits with banks in excess of the insurance limitations of the Federal Deposit Insurance Corporation. SAFE Project has implemented an Insured Cash Sweep (ICS) account that provides FDIC insurance for deposits over \$250,000 by spreading funds across multiple banks. Management does not consider this a significant concentration of credit risk.

Contributors

During the year ended December 31, 2023, approximately 64% of SAFE Project's total support and revenue was received from two donors. During the year ended December 31, 2022, approximately 81% of total support and revenue was received from two donors. As of December 31, 2023 and 2022, 54% and 39% of contributions and grants receivable were due from one donor, respectively. SAFE Project relies on the support of donors to ensure the continuing operations of the organization. Any significant reduction in contributions and grants may impact SAFE Project's ability to conduct its programs.

9. Liquidity and Availability of Resources

The following schedule reflects SAFE Project's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use within one year.

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and cash equivalents	\$ 4,288,339	\$ 2,716,085
Accounts receivable	3,904	3,050
Contributions and grants receivable	<u>274,353</u>	<u>558,234</u>
Total financial assets	4,566,596	3,277,369
Less: restricted by donors with purpose restrictions	<u>(132,000)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,434,596</u>	<u>\$ 3,277,369</u>

SAFE Project maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**STOP THE ADDICTION FATALITY EPIDEMIC
(SAFE) PROJECT US**

Notes to Financial Statements
December 31, 2023 and 2022

10. Income Taxes

SAFE Project is exempt from federal and state income taxes (except taxes on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. No provision for income taxes is required for the years ended December 31, 2023 and 2022 since SAFE Project had no taxable income from unrelated business activities.

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. SAFE Project performed an evaluation of uncertain tax positions as of December 31, 2023 and 2022 and determined that there were no matters that would require recognition in the accompanying financial statements, or which may have any effect on its tax-exempt status. The statute of limitations for fiscal years after 2020 remains open with the U.S. Federal jurisdiction and the various states and local jurisdictions in which SAFE Project files tax returns. It is SAFE Project's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

11. Subsequent Events

In preparing these financial statements, SAFE Project has evaluated events and transactions for potential recognition or disclosure through September 24, 2024, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.