

TENNESSEE TRUCKING FOUNDATION, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2017 AND 2016

TENNESSEE TRUCKING FOUNDATION, INC.

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**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tennessee Trucking Foundation, Inc.
Nashville, Tennessee

We have audited the accompanying financial statements of Tennessee Trucking Foundation, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tennessee Trucking Foundation, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bellenfant, PLLC

April 10, 2018

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash	\$ 65,274	\$ 69,943
Investments	290,534	238,883
Prepaid Expenses	<u>-</u>	<u>500</u>
Total Current Assets	<u>355,808</u>	<u>309,326</u>
FIXED ASSETS		
Equipment	23,351	23,351
Less: Accumulated Depreciation	<u>(23,351)</u>	<u>(21,595)</u>
Fixed Assets, net	<u>-</u>	<u>1,756</u>
Total Assets	<u><u>\$ 355,808</u></u>	<u><u>\$ 311,082</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts Payable	\$ <u>-</u>	\$ <u>9,259</u>
Total Liabilities	<u>-</u>	<u>9,259</u>
NET ASSETS		
Unrestricted Net Assets	<u>355,808</u>	<u>301,823</u>
Total Liabilities and Net Assets	<u><u>\$ 355,808</u></u>	<u><u>\$ 311,082</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

REVENUES	<u>2017</u>	<u>2016</u>
Big Rigs For Little Kids		
West Tennessee Big Rigs	\$ 28,546	\$ 34,065
Middle Tennessee Big Rigs	73,100	79,405
East Tennessee Big Rigs	19,960	20,675
Chattanooga Big Rigs	18,300	13,663
Total Big Rigs For Little Kids	<u>139,906</u>	<u>147,808</u>
Road Team/Miscellaneous		
Silent Auction	41,685	42,371
Contributions, Individual	64,225	15,640
TTF Capital Campaign	59,500	53,500
Grant	65,725	44,000
Interest	35	-
Total Road Team/Miscellaneous	<u>231,170</u>	<u>155,511</u>
Raffle Program	69,600	67,221
Kroger Program	581	1,003
Other Grants	10,000	10,000
Children's Books	1,215	1,367
The Big Payback	1,244	1,081
Dividend Income	17,952	10,685
Unrealized and Realized Gain (Loss) on Investments	33,699	11,839
Miscellaneous Income	656	291
Scholarships	<u>1,250</u>	<u>-</u>
 Total Revenues	 <u>507,273</u>	 <u>406,806</u>
EXPENSES		
Big Rigs For Little Kids		
West Tennessee Tournament		
Tournament Fees	8,709	8,292
Prizes and Gifts	343	313
Bonus	-	11,000
Total West Tennessee Tournament	<u>9,052</u>	<u>19,605</u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

EXPENSES (Continued)	<u>2017</u>	<u>2016</u>
Big Rigs For Little Kids (Continued)		
Middle Tennessee Tournament		
Tournament Fees	\$ 34,775	\$ 35,378
Prizes and Gifts	4,162	3,010
Printing and Postage	1,336	-
Miscellaneous	1,530	2,770
Total Middle Tennessee Tournament	<u>41,803</u>	<u>41,158</u>
East Tennessee Tournament		
Tournament Fees	5,200	5,200
Prizes and Gifts	1,600	1,290
Food and Beverage	800	-
Miscellaneous	1,230	2,761
Total East Tennessee Tournament	<u>8,830</u>	<u>9,251</u>
Southeast Tennessee Tournament		
Tournament Fees	4,203	3,301
Prizes and Gifts	1,300	1,900
Food and Beverage	274	359
Total Southeast Tennessee Tournament	<u>5,777</u>	<u>5,560</u>
Not For Profit Charities		
East Tennessee Children's Hospital	5,565	5,800
Ronald McDonald House - Memphis	6,498	8,487
Ronald McDonald House - Nashville	10,432	11,019
Make A Wish Foundation	6,498	8,487
Shriners' Transportation Fund	8,340	5,396
Total Not For Profit Charities	<u>37,333</u>	<u>39,189</u>
Scholarships	<u>15,176</u>	<u>9,800</u>
Tennessee's Road Team		
Silent Auction	8,433	10,189
Training	8,279	13,748
Travel	80,701	64,158
Miscellaneous	18,854	8,638
Total Tennessee's Road Team	<u>116,267</u>	<u>96,733</u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

EXPENSES (Continued)	<u>2017</u>	<u>2016</u>
No Zone Tractor/Trailer		
Convention	\$ 48,608	\$ 59,368
Operating	2,399	1,687
Insurance	2,973	3,556
Total No Zone Tractor/Trailer	<u>53,980</u>	<u>64,611</u>
General and Administrative		
Professional Services	8,650	10,890
Salaries	27,000	31,395
Bank Fees	4,327	3,411
Office	1,537	1,268
Miscellaneous	10,187	5,493
Total General and Administrative	<u>51,701</u>	<u>52,457</u>
Grant Expenses	38,538	32,429
The Big Payback	165	150
Raffle Expenses	20,403	20,927
Sponsors	2,000	2,000
Depreciation	1,756	1,756
Children's Book	1,843	1,311
Trucking Moves America Forward	-	10,010
TTF Auction	7,664	-
TJ Martell Gala	1,000	-
TTA Administration	40,000	-
Total Expenses	<u>453,288</u>	<u>406,947</u>
Change in Net Assets	53,985	(141)
Unrestricted Net Assets, beginning of the year	<u>301,823</u>	<u>301,964</u>
Unrestricted Net Assets, end of the year	<u><u>\$ 355,808</u></u>	<u><u>\$ 301,823</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2017</u>	<u>2016</u>
Change in Net Assets	\$ 53,985	\$ (141)
Adjustments to reconcile change in net assets to net cash provided by operations		
Depreciation	1,756	1,756
Realized/Unrealized (Gain) Loss on Investments	(33,699)	(11,839)
(Increase) Decrease in:		
Accounts Receivable	-	1,750
Grant Receivable	-	6,000
Prepaid Expense	500	(500)
Increase (Decrease) in:		
Accounts Payable	<u>(9,259)</u>	<u>(1,005)</u>
Net Cash Used By Operating Activities	<u>13,283</u>	<u>(3,979)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends Reinvested and Fees on Investments	(17,952)	(10,685)
Sale of Investments	<u>-</u>	<u>56,511</u>
Net Cash Provided By (Used By) Investing Activities	<u>(17,952)</u>	<u>45,826</u>
Net Increase (Decrease) In Cash	(4,669)	41,847
Cash, beginning of the year	<u>69,943</u>	<u>28,096</u>
Cash, end of the year	<u><u>\$ 65,274</u></u>	<u><u>\$ 69,943</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Tennessee Trucking Foundation, Inc. ("the Foundation") is a nonprofit organization, which was formed exclusively for charitable and educational purposes. The Foundation's basic purpose is the advancement of education and learning about the trucking industry for the benefit of the public.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Foundation had no temporarily restricted net assets as of December 31, 2017 or 2016.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Foundation. Generally donors of these assets permit the Foundation to use all or part of the income earned for general or specific purposes. The Foundation had no permanently restricted net assets as of December 31, 2017 or 2016.

Fair Value

The following methods and assumptions were used by the Foundation in estimating its fair value disclosures for financial instruments:

Cash, investments, accounts receivable, prepaid expenses, accounts payable, and unearned revenue: The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

For the purposes of the statements of cash flows, the Foundation considers all investment instruments purchased with a maturity of three months or less to be cash equivalents. Certificates of deposit and other securities with original maturities over three months are classified as short-term investments and stated at cost, which approximates market value.

Depreciation:

Equipment with an acquisition cost above \$1,000 is capitalized and depreciated using the straight-line method over an estimated useful life of five years.

Income Taxes:

The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

The Foundation has evaluated its tax positions in accordance with the Codification Standard related to Accounting for Uncertainty in Income Taxes. The Foundation believes that it has taken no uncertain tax positions.

The Foundation files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Foundation's returns for the years prior to calendar year 2014 are no longer open for examination.

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 amounts could differ from those estimates.

2. SCHOLARSHIPS

The Community Foundation administers the scholarship program. The Foundation paid The Community Foundation \$15,176 and \$9,800 for the years ended December 31, 2017 and 2016, respectively, for scholarships.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2017 AND 2016

3. FAIR VALUE OF INVESTMENTS

The Foundation's investments are reported at fair value in the accompanying statements of financial position.

		<u>Fair Value Measurements at December 31, 2017</u>		
		Quoted Prices		
		In Active	Significant	
		Markets for	Other	Significant
		Identical	Observable	Unobservable
		Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
	Fair Value			
Mutual Funds - Equities	\$ 290,534	\$ 290,534	\$ -	\$ -
	<u>\$ 290,534</u>	<u>\$ 290,534</u>	<u>\$ -</u>	<u>\$ -</u>

		<u>Fair Value Measurements at December 31, 2016</u>		
		Quoted Prices		
		In Active	Significant	
		Markets for	Other	Significant
		Identical	Observable	Unobservable
		Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
	Fair Value			
Mutual Funds - Equities	\$ 238,883	\$ 238,883	\$ -	\$ -
	<u>\$ 238,883</u>	<u>\$ 238,883</u>	<u>\$ -</u>	<u>\$ -</u>

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 Fair Value Measurements - The fair value of the investments are based on at least one significant unobservable input.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2017 AND 2016

4. INVESTMENTS

The Foundation invests in mutual funds. The fair market value of the investments as of December 31, 2017 and 2016 were:

	<u>2017</u>	<u>2016</u>
American Funds	\$ 17,228	\$ 16,768
Fundamental Investors Fund	67,777	54,937
Investment Company America	68,517	57,228
New Perspective Fund	47,516	36,864
SmallCap World Fund	31,564	24,886
Washington Mutual Investment	<u>57,932</u>	<u>48,200</u>
 Total Investments	 <u><u>\$ 290,534</u></u>	 <u><u>\$ 238,883</u></u>

5. DONATED SERVICES

Officers, members of the Board of Directors, and other members of the Foundation have assisted the Foundation in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements as it was not practicable to determine the valuation of such services to the Foundation, and the Foundation exercises no significant control over the major elements of donated services.

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 10, 2018, which is the date the financial statements were available to be issued.