

TENNESSEE TRUCKING FOUNDATION, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2014 AND 2013

TENNESSEE TRUCKING FOUNDATION, INC.

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BELLENFANT + MILES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
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, 2014 and 2013, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 auditors' judgement, 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, 2014 and 2013, 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 & Miles, PLLC

March 31, 2015

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2014 AND 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Cash	\$ 52,016	\$ 180,805
Investments	342,747	317,172
Equipment, net of accumulated depreciation of \$18,082 and \$16,325 for 2014 and 2013, respectively	5,270	7,026
Accounts Receivable	27,000	8,200
Grant Receivable	12,000	27,420
Prepaid Expenses	-	5,000
Total Assets	<u>\$ 439,033</u>	<u>\$ 545,623</u>

LIABILITIES AND NET ASSETS

Accounts Payable	<u>\$ 51,318</u>	<u>\$ 57,989</u>
Total Liabilities	51,318	57,989
Unrestricted Net Assets	<u>387,715</u>	<u>487,634</u>
Total Liabilities and Net Assets	<u>\$ 439,033</u>	<u>\$ 545,623</u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

REVENUES	<u>2014</u>	<u>2013</u>
Big Rigs For Little Kids		
West Tennessee Big Rigs	\$ 24,874	\$ 32,459
Middle Tennessee Big Rigs	73,058	72,618
East Tennessee Big Rigs	22,603	19,689
Chattanooga Big Rigs	14,023	14,000
Total Big Rigs For Little Kids	<u>134,558</u>	<u>138,766</u>
Road Team/Miscellaneous		
Silent Auction	63,669	57,775
Contributions, Individual	2,475	5,100
TTF Capital Campaign	152,850	164,441
Grant	55,182	78,839
Interest	32	123
Total Road Team/Miscellaneous	<u>274,208</u>	<u>306,278</u>
Raffle Program	<u>50,400</u>	<u>57,500</u>
Kroger Program	<u>9,980</u>	<u>28,464</u>
Dividend Income	<u>3,845</u>	<u>3,927</u>
TJ Martell Gala	<u>6,900</u>	<u>-</u>
The Big Payback	<u>3,690</u>	<u>-</u>
Unrealized Gain (Loss) on Investments	<u>21,730</u>	<u>62,723</u>
Miscellaneous Income	<u>1,269</u>	<u>11</u>
TOTAL REVENUES	<u>506,580</u>	<u>597,669</u>
 EXPENSES		
Big Rigs For Little Kids		
West Tennessee Tournament		
Tournament fees	7,438	9,055
Food and beverages	358	71
Prizes and gifts	217	217
Total West Tennessee Tournament	<u>8,013</u>	<u>9,343</u>
Middle Tennessee Tournament		
Tournament fees	19,839	22,166
Prizes and gifts	14,604	14,836
Miscellaneous	1,871	2,335
Total Middle Tennessee Tournament	<u>36,314</u>	<u>39,337</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, 2014 AND 2013

EXPENSES (continued)	<u>2014</u>	<u>2013</u>
Big Rigs For Little Kids (continued)		
East Tennessee Tournament		
Tournament fees	\$ 10,317	\$ 8,786
Total Middle Tennessee Tournament	<u>10,317</u>	<u>8,786</u>
Southeast Tennessee Tournament		
Tournament fees	3,320	3,791
Food and beverages	1,322	181
Prizes and gifts	-	2,591
Total Southeast Tennessee Tournament	<u>4,642</u>	<u>6,563</u>
Not For Profit Charities		
East Tennessee Children's Hospital	6,143	5,601
Ronald McDonald House-Memphis	5,454	7,706
Ronald McDonald House-Nashville	12,081	11,660
Make a Wish Foundation	5,454	7,706
Vanderbilt Children's Hospital	12,081	11,660
Shriners' Transportation Fund	6,247	4,587
Total Not For Profit Charities	<u>47,460</u>	<u>48,920</u>
Scholarships	<u>5,300</u>	<u>10,600</u>
Tennessee's Road Team		
Silent auction	144,511	94,511
Training	8,870	2,400
Travel	43,023	36,361
Miscellaneous	12,552	10,711
Total Tennessee's Road Team	<u>208,956</u>	<u>143,983</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, 2014 AND 2013

EXPENSES (continued)	<u>2014</u>	<u>2013</u>
No Zone Tractor/Trailer		
Convention	48,849	76,329
Operating	1,102	927
Insurance	3,670	3,450
Total No Zone Tractor/Trailer	<u>53,621</u>	<u>80,706</u>
General and Administrative		
Professional services	20,312	50,900
Salaries	27,228	19,397
Insurance	-	7,350
Bank fees	6,881	5,127
Office	317	2,175
Miscellaneous	4,525	6,431
Total General and Administrative	<u>59,263</u>	<u>91,380</u>
Grant Expenses	<u>77,681</u>	<u>79,413</u>
Kroger Program	<u>515</u>	<u>560</u>
Raffle Expenses	<u>20,906</u>	<u>21,261</u>
Depreciation	<u>1,756</u>	<u>1,756</u>
Children's Book	<u>19,755</u>	<u>8,075</u>
TJ Martell Gala	<u>11,500</u>	<u>-</u>
Bonus	<u>-</u>	<u>6,500</u>
TTA Administration Fees	<u>40,500</u>	<u>35,000</u>
TOTAL EXPENSES	<u>606,499</u>	<u>592,183</u>
CHANGE IN NET ASSETS	(99,919)	5,486
UNRESTRICTED NET ASSETS, beginning of the year	<u>487,634</u>	<u>482,148</u>
UNRESTRICTED NET ASSETS, end of the year	<u><u>\$ 387,715</u></u>	<u><u>\$ 487,634</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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (99,919)	\$ 5,486
Adjustments to reconcile change in net assets to net cash provided by operations		
Depreciation	1,756	1,756
Unrealized (Gain) Loss on Investments	(21,730)	(62,723)
(Increase) decrease in:		
Accounts Receivable	(18,800)	48,925
Grant Receivable	15,420	(20,282)
Prepaid Expense	5,000	(5,000)
Increase (decrease) in:		
Accounts Payable	(6,671)	40,302
Unearned Revenue	<u>-</u>	<u>(5,000)</u>
Net Cash Provided (Used) By Operating Activities	<u>(124,944)</u>	<u>3,464</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends Reinvested and Fees on Investments	<u>(3,845)</u>	<u>(3,927)</u>
Net Cash Used By Investing Activities	<u>(3,845)</u>	<u>(3,927)</u>
Net Increase (Decrease) In Cash	(128,789)	(463)
Cash, beginning of the year	<u>180,805</u>	<u>181,268</u>
Cash, end of the year	<u><u>\$ 52,016</u></u>	<u><u>\$ 180,805</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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, 2014 or 2013.

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, 2014 or 2013.

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, 2014 AND 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash:

For the purposes of the statement 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 2011 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 \$5,300 and \$10,600 for the years ended December 31, 2013 and 2012, respectively, for scholarships.

3. MANAGEMENT FEE

The Foundation paid \$40,500 and \$35,000 in management fees to the Tennessee Trucking Foundation, Inc. for personnel services, supplies, and office space for the years ended December 31, 2014 and 2013, respectively.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

4. FAIR VALUE OF INVESTMENTS

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

Fair Value Measurements at December 31, 2014 Using				
Quoted Prices				
		In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Mutual Funds-Equities	\$ 342,747	\$ 342,747	\$ -	\$ -
	<u>\$ 342,747</u>	<u>\$ 342,747</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value Measurements at December 31, 2013 Using				
Quoted Prices				
		In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Mutual Funds-Equities	\$ 317,172	\$ 317,172	\$ -	\$ -
	<u>\$ 317,172</u>	<u>\$ 317,172</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, 2014 AND 2013

5. INVESTMENTS

The Foundation invests in mutual funds. The fair market value of the investments as of December 31, 2014 and 2013 were:

	2014	2013
American Funds	\$ 30,705	\$ 29,306
Fundamental Investors Fund	73,901	67,823
Investment Company America	78,075	69,654
New Perspective Fund	52,544	50,898
SmallCap World Fund	33,919	33,315
Washington Mutual Investment	73,602	66,176
Total	<u>\$ 342,746</u>	<u>\$ 317,172</u>

6. 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.

7. GRANT RECEIVABLE

The Foundation received a grant from the Tennessee Governor's Highway Safety Office. Grant expenses incurred and not reimbursed were \$12,000 and \$27,420 as of December 31, 2014 and 2013 respectively.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 16, 2015, which is the date the financial statements were available to be issued.