

TENNESSEE TRUCKING FOUNDATION, INC.

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

DECEMBER 31, 2018 AND 2017

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, 2018 and 2017, 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, 2018 and 2017, 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 19, 2019

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash	\$ 104,770	\$ 65,274
Investments	274,163	290,534
Accounts Receivable	18,092	-
Due from Related Party	<u>7,350</u>	<u>-</u>
Total Current Assets	<u>404,375</u>	<u>355,808</u>
FIXED ASSETS		
Equipment	23,351	23,351
Less: Accumulated Depreciation	<u>(23,351)</u>	<u>(23,351)</u>
Fixed Assets, net	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 404,375</u></u>	<u><u>\$ 355,808</u></u>

LIABILITIES AND NET ASSETS

NET ASSETS		
Net Assets Without Donor Restrictions	<u>\$ 404,375</u>	<u>\$ 355,808</u>
Total Liabilities and Net Assets	<u><u>\$ 404,375</u></u>	<u><u>\$ 355,808</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, 2018 AND 2017

REVENUES	<u>2018</u>	<u>2017</u>
Big Rigs For Little Kids		
West Tennessee Big Rigs	\$ 24,883	\$ 28,546
Middle Tennessee Big Rigs	73,793	73,100
East Tennessee Big Rigs	25,262	19,960
Chattanooga Big Rigs	17,104	18,300
Total Big Rigs For Little Kids	<u>141,042</u>	<u>139,906</u>
Road Team/Miscellaneous		
Silent Auction	42,880	41,685
Contributions, Individual	75,454	64,225
TTF Capital Campaign	56,750	59,500
Grant	61,590	65,725
Interest	29	35
Total Road Team/Miscellaneous	<u>236,703</u>	<u>231,170</u>
Raffle Program	71,889	69,600
Kroger Program	642	581
Other Grants	14,500	10,000
Children's Books	511	1,215
The Big Payback	-	1,244
Dividend Income	22,774	17,952
Unrealized and Realized Gain (Loss) on Investments	(39,145)	33,699
Miscellaneous Income	886	656
Scholarships	<u>5,250</u>	<u>1,250</u>
 Total Revenues	 <u>455,052</u>	 <u>507,273</u>
EXPENSES		
Big Rigs For Little Kids		
West Tennessee Tournament		
Tournament Fees	6,741	8,709
Prizes and Gifts	343	343
Total West Tennessee Tournament	<u>7,084</u>	<u>9,052</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, 2018 AND 2017

EXPENSES (Continued)	<u>2018</u>	<u>2017</u>
Big Rigs For Little Kids (Continued)		
Middle Tennessee Tournament		
Tournament Fees	\$ 33,053	\$ 34,775
Prizes and Gifts	872	4,162
Printing and Postage	650	1,336
Miscellaneous	1,330	1,530
Total Middle Tennessee Tournament	<u>35,905</u>	<u>41,803</u>
East Tennessee Tournament		
Tournament Fees	12,550	5,200
Prizes and Gifts	600	1,600
Food and Beverage	-	800
Miscellaneous	-	1,230
Total East Tennessee Tournament	<u>13,150</u>	<u>8,830</u>
Southeast Tennessee Tournament		
Tournament Fees	4,250	4,203
Prizes and Gifts	260	1,300
Food and Beverage	1,523	274
Total Southeast Tennessee Tournament	<u>6,033</u>	<u>5,777</u>
Not For Profit Charities		
St. Jude's Children's Hospital	1,000	-
East Tennessee Children's Hospital	6,056	5,565
Ronald McDonald House - Memphis	5,933	6,498
Ronald McDonald House - Nashville	13,837	10,432
Make A Wish Foundation	5,933	6,498
Shriners' Transportation Fund	7,373	8,340
Total Not For Profit Charities	<u>40,132</u>	<u>37,333</u>
Scholarships	<u>3,800</u>	<u>15,176</u>
Tennessee's Road Team		
Silent Auction	10,936	8,433
Training	1,708	8,279
Travel	93,497	80,701
Miscellaneous	7,209	18,854
Total Tennessee's Road Team	<u>113,350</u>	<u>116,267</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, 2018 AND 2017

EXPENSES (Continued)	<u>2018</u>	<u>2017</u>
No Zone Tractor/Trailer		
Convention	\$ 63,496	\$ 48,608
Operating	4,443	2,399
Insurance	2,835	2,973
Total No Zone Tractor/Trailer	<u>70,774</u>	<u>53,980</u>
General and Administrative		
Professional Services	9,000	8,650
Salaries	-	27,000
Bank Fees	6,665	4,327
Office	799	1,537
Miscellaneous	10,361	10,187
Total General and Administrative	<u>26,825</u>	<u>51,701</u>
Grant Expenses	41,650	38,538
The Big Payback	-	165
Raffle Expenses	21,331	20,403
Sponsors	2,000	2,000
Depreciation	-	1,756
Children's Book	13	1,843
TTF Auction	4,438	7,664
TJ Martell Gala	-	1,000
TTA Administration	20,000	40,000
Total Expenses	<u>406,485</u>	<u>453,288</u>
Change in Net Assets	48,567	53,985
Net Assets, beginning of the year	<u>355,808</u>	<u>301,823</u>
Net Assets, end of the year	<u><u>\$ 404,375</u></u>	<u><u>\$ 355,808</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, 2018 AND 2017

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2018</u>	<u>2017</u>
Change in Net Assets	\$ 48,567	\$ 53,985
Adjustments to reconcile change in net assets to net cash provided by operations		
Depreciation	-	1,756
Realized/Unrealized (Gain) Loss on Investments	39,145	(33,699)
(Increase) Decrease in:		
Accounts Receivable	(18,092)	-
Due from Related Party	(7,350)	-
Prepaid Expense	-	500
Increase (Decrease) in:		
Accounts Payable	-	(9,259)
Net Cash Provided (Used) by Operating Activities	<u>62,270</u>	<u>13,283</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends Reinvested and Fees on Investments	<u>(22,774)</u>	<u>(17,952)</u>
Net Cash Provided (Used) by Investing Activities	<u>(22,774)</u>	<u>(17,952)</u>
Net Increase (Decrease) In Cash	39,496	(4,669)
Cash, beginning of the year	<u>65,274</u>	<u>69,943</u>
Cash, end of the year	<u><u>\$ 104,770</u></u>	<u><u>\$ 65,274</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

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 two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These are net assets that are not subject to donor-imposed stipulations. The Foundation had \$404,375 and \$355,808 of net assets without donor restrictions as of December 31, 2018 and 2017, respectively.

Net assets with donor restrictions - These are 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. This classification also includes 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 net assets with donor restrictions as of December 31, 2018 or 2017.

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, 2018 AND 2017

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 2015 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 \$3,800 and \$15,176 for the years ended December 31, 2018 and 2017, respectively, for scholarships.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018 AND 2017

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, 2018</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	\$ 274,163	\$ 274,163	\$ -	\$ -
	<u>\$ 274,163</u>	<u>\$ 274,163</u>	<u>\$ -</u>	<u>\$ -</u>

		<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>

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, 2018 AND 2017

4. INVESTMENTS

The Foundation invests in mutual funds. The fair market value of the investments as of December 31, 2018 and 2017 were:

	<u>2018</u>	<u>2017</u>
American Funds	\$ 17,324	\$ 17,228
Fundamental Investors Fund	63,300	67,777
Investment Company America	64,056	68,517
New Perspective Fund	44,737	47,516
SmallCap World Fund	28,504	31,564
Washington Mutual Investment	<u>56,242</u>	<u>57,932</u>
 Total Investments	 <u><u>\$ 274,163</u></u>	 <u><u>\$ 290,534</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. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of December 31, 2018, reduced by amounts not available for general use:

Cash and Cash Equivalents	\$ 104,770
Due from Related Party	<u>7,350</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 112,120</u></u>

There is an adequate amount of financial assets available as of December 31, 2018. The Foundation effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the balance sheet date.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018 AND 2017

7. DUE FROM RELATED PARTY

Tennessee Trucking Association, Inc. collects contributions on behalf of the Foundation and remits these contributions to the Foundation on a regular basis. The Foundation was owed \$7,350 as of December 31, 2018.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 19, 2019, which is the date the financial statements were available to be issued.