

TENNESSEE TRUCKING FOUNDATION, INC.

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

DECEMBER 31, 2022 AND 2021

TENNESSEE TRUCKING FOUNDATION, INC.

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BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Tennessee Trucking Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and cash flows for the years 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 Tennessee Trucking Foundation, Inc. as of December 31, 2022 and 2021, 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.

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 Tennessee Trucking Foundation, Inc. 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.

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 Tennessee Trucking Foundation, Inc.'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, including omissions, 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 Tennessee Trucking Foundation, Inc.'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 Tennessee Trucking Foundation, Inc.'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.

Bellenfant, PLLC

Nashville, Tennessee
April 4, 2023

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 114,397	\$ 398,389
Investments	911,575	746,793
Accounts Receivable	6,550	16,259
Due from Related Party	-	80
	<u>1,032,522</u>	<u>1,161,521</u>
Total Current Assets		
	<u>1,032,522</u>	<u>1,161,521</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>\$ 1,032,522</u></u>	<u><u>\$ 1,161,521</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ -	\$ 62,246
Due to Related Party	<u>3,300</u>	<u>-</u>
Total Liabilities	<u>3,300</u>	<u>62,246</u>

NET ASSETS

Net Assets Without Donor Restrictions	979,221	1,049,275
Net Assets With Donor Restrictions	<u>50,000</u>	<u>50,000</u>
Total Net Assets	<u>1,029,221</u>	<u>1,099,275</u>
Total Liabilities and Net Assets	<u><u>\$ 1,032,521</u></u>	<u><u>\$ 1,161,521</u></u>

The accompanying notes are integral parts of these statements

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

REVENUES	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Big Rigs For Little Kids			
West Tennessee Big Rigs	\$ 31,820	\$ -	\$ 31,820
Middle Tennessee Big Rigs	104,548	-	104,548
East Tennessee Big Rigs	26,302	-	26,302
Chattanooga Big Rigs	22,515	-	22,515
Total Big Rigs For Little Kids	<u>185,185</u>	<u>-</u>	<u>185,185</u>
Road Team/Miscellaneous			
Silent Auction	30,000	-	30,000
Contributions, Individual	60,165	-	60,165
Grant	104,626	-	104,626
Interest	528	-	528
Total Road Team/Miscellaneous	<u>195,319</u>	<u>-</u>	<u>195,319</u>
Founder's Club	58,000	-	58,000
Pilot Grant	75,000	-	75,000
Predators Grant	8,712	-	8,712
FedEx	5,000	-	5,000
Raffle Program	81,089	-	81,089
Kroger Program	895	-	895
The Big Payback	2,523	-	2,523
Dividend Income	-	-	-
Unrealized/Realized Gain (Loss)			
on Investments	(140,218)	-	(140,218)
Paver Campaign	5,500	-	5,500
YPC	16,349	-	16,349
Haulin' for the Holidays	2,634	-	2,634
Miscellaneous Income	-	-	-
Credit Card Fees	4,140	-	4,140
Scholarships	5,250	-	5,250
Total Revenues	<u>\$ 505,378</u>	<u>\$ -</u>	<u>\$ 505,378</u>

The accompanying notes are integral parts of these financial statements

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

EXPENSES	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Program Services	\$ 347,345	\$ -	\$ 347,345
Management and General	100,489	-	100,489
Fundraising	<u>127,598</u>	<u>-</u>	<u>127,598</u>
Total Expenses	<u>575,432</u>	<u>-</u>	<u>575,432</u>
Change in Net Assets	(70,054)	-	(70,054)
Net Assets, Beginning of Year	<u>1,049,275</u>	<u>50,000</u>	<u>1,099,275</u>
Net Assets, End of Year	<u><u>\$ 979,221</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 1,029,221</u></u>

The accompanying notes are integral parts of these financial statements

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Big Rigs For Little Kids			
West Tennessee Big Rigs	\$ 840	\$ -	\$ 840
Middle Tennessee Big Rigs	94,595	-	94,595
East Tennessee Big Rigs	25,487	-	25,487
Chattanooga Big Rigs	19,925	-	19,925
Total Big Rigs For Little Kids	<u>140,847</u>	<u>-</u>	<u>140,847</u>
Road Team/Miscellaneous			
Silent Auction	41,347	-	41,347
Contributions, Individual	134,626	-	134,626
TTF Capital Campaign	-	-	-
Grant	105,324	-	105,324
Interest	62	-	62
Total Road Team/Miscellaneous	<u>281,359</u>	<u>-</u>	<u>281,359</u>
Founder's Club	100,000	-	100,000
Pilot Grant	75,000	-	75,000
Motorcycle T-Shirt Campaign	7,454	-	7,454
Powering the Future	8,896	-	8,896
Raffle Program	69,988	-	69,988
Kroger Program	762	-	762
The Big Payback	4,633	-	4,633
Dividend Income	52,201	-	52,201
Unrealized/Realized Gain (Loss) on Investments	60,890	-	60,890
Paver Campaign	1,000	-	1,000
Haulin' for the Holidays	21,963	-	21,963
Miscellaneous Income	2,705	-	2,705
Scholarships	<u>7,000</u>	<u>50,000</u>	<u>57,000</u>
Total Revenues	<u>\$ 834,698</u>	<u>\$ 50,000</u>	<u>\$ 884,698</u>

The accompanying notes are integral parts of these financial statements

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

EXPENSES	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Program Services	\$ 226,852	\$ -	\$ 226,852
Management and General	138,853	-	138,853
Fundraising	<u>95,106</u>	<u>-</u>	<u>95,106</u>
Total Expenses	<u>460,811</u>	<u>-</u>	<u>460,811</u>
Change in Net Assets	373,887	50,000	423,887
Net Assets, Beginning of Year	<u>675,388</u>	<u>-</u>	<u>675,388</u>
Net Assets, End of Year	<u><u>\$ 1,049,275</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 1,099,275</u></u>

The accompanying notes are integral parts of these financial statements

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Supporting Services</u>			
	Program Services	Management and General	Fundraising	Total
Big Rigs for Little Kids				
Middle Tennessee Tournament				
Tournament Fees	\$ 46,901	\$ 2,605	\$ 2,605	\$ 52,111
Prizes and Gifts	676	37	37	750
Food	865	47	47	959
Printing	694	38	38	770
Miscellaneous	1,388	77	77	1,542
Total Middle Tennessee Tournament	<u>50,524</u>	<u>2,804</u>	<u>2,804</u>	<u>56,132</u>
West Tennessee Tournament				
Tournament Fees	\$ 9,932	\$ 551	\$ 551	\$ 11,034
Miscellaneous	4,050	225	225	4,500
Total West Tennessee Tournament	<u>13,982</u>	<u>776</u>	<u>776</u>	<u>15,534</u>
East Tennessee Tournament				
Tournament Fees	4,650	258	258	5,166
Prizes and Gifts	-	-	-	-
Miscellaneous	1,731	96	96	1,923
Total East Tennessee Tournament	<u>6,381</u>	<u>354</u>	<u>354</u>	<u>7,089</u>
Southeast Tennessee Tournament				
Tournament Fees	5,428	301	301	6,030
Food and Beverage	323	17	17	357
Miscellaneous	124	6	6	136
Printing and Postage	53	2	2	57
Total Southern Tennessee Tournament	<u>5,928</u>	<u>326</u>	<u>326</u>	<u>6,580</u>
Not-for-Profit Charities				
East TN Child Hosp	8,714	484	484	9,682
Ronald - Nashville	14,420	801	801	16,022
Shriners' Transportation Fund	9,587	532	532	10,651
St Jude's Hospital	7,329	407	407	8,143
Total Not-For-Profit Charities	<u>40,050</u>	<u>2,224</u>	<u>2,224</u>	<u>44,498</u>

The accompanying notes are integral parts of these financial statements

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Supporting Services</u>			
	Program Services	Management and General	Fundraising	Total
Scholarships	35,540	1,974	1,974	39,488
Tennessee Road Team				
Travel	100,802	5,600	5,600	112,002
Uniforms	10,159	564	564	11,287
Miscellaneous Road Team	4,463	247	247	4,957
Total Tennessee Road Team	115,424	6,411	6,411	128,246
No Zone				
Convention	\$ 58,394	\$ 3,244	\$ 3,244	\$ 64,882
Operating	8,191	454	454	9,099
Insurance	2,902	161	161	3,224
Total No Zone	69,487	3,859	3,859	77,205
General and Administrative				
TTA Administration	3,500	63,000	3,500	70,000
Professional Services	289	5,218	289	5,796
Office	314	5,662	314	6,290
Miscellaneous	115	2,070	115	2,300
Total General and Administrative	4,218	75,950	4,218	84,386
Fundraising				
Grant Expenses	3,364	3,364	60,555	67,283
Raffle	1,206	1,206	21,715	24,127
Sponsors	350	350	6,300	7,000
Paver	261	261	4,717	5,239
YPC	203	203	3,666	4,072
Top Golf	263	263	4,737	5,263
Powering the Future	164	164	2,962	3,290
Total Fundraising	5,811	5,811	104,652	116,274
Total Expenses	\$ 347,345	\$ 100,489	\$ 127,598	\$ 575,432

The accompanying notes are integral parts of these financial statements

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Supporting Services</u>			
	Program Services	Management and General	Fundraising	Total
Big Rigs for Little Kids				
Middle Tennessee Tournament				
Tournament Fees	\$ 26,420	\$ 1,467	\$ 1,467	\$ 29,354
Prizes and Gifts	19,062	1,058	1,058	21,178
Miscellaneous	3,510	195	195	3,900
Total Middle Tennessee Tournament	48,992	2,720	2,720	54,432
East Tennessee Tournament				
Tournament Fees	2,700	150	150	3,000
Prizes and Gifts	1,819	100	100	2,019
Miscellaneous	1,036	57	57	1,150
Total East Tennessee Tournament	5,555	307	307	6,169
Southeast Tennessee Tournament				
Tournament Fees	4,137	229	229	4,595
Food and Beverage	2,034	112	112	2,258
Printing and Postage	270	15	15	300
Total Southeast Tennessee Tournament	6,441	356	356	7,153
Not-for-Profit Charities				
East TN Child Hosp	9,171	509	509	10,189
Ronald - Nashville	12,835	713	713	14,261
Shriners' Transportation Fund	7,656	425	425	8,506
St Jude's Hospital	7,615	422	422	8,459
Total Not-for-Profit Charities	37,277	2,069	2,069	41,415
Scholarships	2,250	125	125	2,500
Tennessee Road Team				
Silent Auction	11,440	635	635	12,710
Travel	53,806	2,989	2,989	59,784
Uniforms	2,128	118	118	2,364
Total Tennessee Road Team	67,374	3,742	3,742	74,858

The accompanying notes are integral parts of these financial statements

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Supporting Services</u>			
	Program Services	Management and General	Fundraising	Total
No Zone				
Convention	42,210	2,345	2,345	46,900
Operating	2,021	112	112	2,245
Insurance	3,685	204	204	4,093
Total No Zone	\$ 47,916	\$ 2,661	\$ 2,661	\$ 53,238
General and Administrative				
TTA Administration	6,112	110,021	6,112	122,245
Professional Services	528	9,509	528	10,565
Office	71	1,293	71	1,435
Miscellaneous	100	1,814	100	2,014
Total General and Administrative	6,811	122,637	6,811	136,259
Fundraising				
Grant Expenses	2,562	2,562	46,133	51,257
Raffle	281	281	5,073	5,635
Sponsors	275	275	4,950	5,500
Haulin' for the Holiday	744	744	13,401	14,889
Motorcycle T-Shirts	90	90	1,621	1,801
Top Golf	247	247	4,461	4,955
Powering the Future	37	37	676	750
Total Fundraising	4,236	4,236	76,315	84,787
Total Expenses	\$ 226,852	\$ 138,853	\$ 95,106	\$ 460,811

The accompanying notes are integral parts of these financial statements

TENNESSEE TRUCKING FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2022</u>	<u>2021</u>
Change in Net Assets	\$ (70,054)	\$ 423,887
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operations:		
Realized/Unrealized (Gain) Loss on Investments	140,218	(60,890)
(Increase) Decrease in:		
Accounts Receivable	9,710	262
Due from Related Party	3,380	4,120
Increase (Decrease) in:		
Accounts Payable	(62,246)	59,741
Unearned Revenue	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>21,008</u>	<u>427,120</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer to Investments	(305,000)	(224,999)
Dividends Reinvested and Fees on Investments	<u>-</u>	<u>(52,201)</u>
Net Cash Provided (Used) by Investing Activities	<u>(305,000)</u>	<u>(277,200)</u>
Net Increase (Decrease) In Cash	(283,992)	149,920
Cash and Cash Equivalents, Beginning of Year	<u>398,389</u>	<u>248,469</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 114,397</u></u>	<u><u>\$ 398,389</u></u>

The accompanying notes are integral parts of these financial statements

TENNESSEE TRUCKING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Tennessee Trucking Foundation, Inc. ("the Foundation") was incorporated as a nonprofit organization in 1992, 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 \$979,221 and \$1,049,275 of net assets without donor restrictions as of December 31, 2022 and 2021, 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 \$50,000 of net assets with donor restrictions as of December 31, 2022.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. As of December 31, 2022 and 2021 the Foundation had no cash equivalents.

TENNESSEE TRUCKING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are reported at their estimated collectible amounts. They are periodically evaluated for collectability based on management's assessment of each account. An allowance for doubtful accounts is established as losses are estimated to have occurred through recognition of bad debt expense. When management confirms the uncollectability of an account receivable, such amount is charged off against the allowance for doubtful accounts. No allowance for doubtful accounts was recorded as of December 31, 2022 and 2021.

Revenue and Revenue Recognition

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Foundation's revenue within the scope of ASC 606 consists of donations. The contract obligations related to these services are satisfied when the contributions are spent on scholarships.

In general, the Foundation's agreements have an expected duration of one year or less and the consideration from the members is an amount that corresponds directly with the value received by the members to date.

Advertising

Advertising costs are expensed when incurred.

Donated Services and Goods

Donated services and goods are recognized if they create or enhance non-financial assets, or the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by the Foundation if not donated. Such services are recognized at fair value as support and expense in the period the services are performed.

Members of the Board of Directors have provided substantial assistance to us by donation of time and services. The value of this contribution is not reflected in the financial statements since it is not susceptible to objective measurement of valuation.

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.

TENNESSEE TRUCKING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Functional Allocation of Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Accordingly, certain costs have been categorized based on specific identification of costs incurred or allocated as determined by management.

<u>Expense</u>	<u>Method of Allocation</u>
Payroll and Related Expenses	Time and Effort
Contract Labor	Time and Effort
Depreciation	Square Footage
Administrative Expenses	Time and Effort
Rent and Leases	Square Footage
Insurance	Policy Coverage

2. AVAILABILITY OF FINANCIAL ASSETS

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 114,397	\$ 398,389
Investments	911,575	746,793
Accounts Receivable	6,550	16,339
	<u> </u>	<u> </u>
Less: Donor Imposed Restrictions	(50,000)	(50,000)
	<u> </u>	<u> </u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 982,522</u>	<u>\$ 1,111,521</u>

There is an adequate amount of financial assets available as of December 31, 2022 and 2021. 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, 2022 AND 2021

3. DUE FROM RELATED PARTY

The Foundation conducts business with a related party organization, the Tennessee Trucking Association ("The Association"). The Association exists to conduct operational activities and to promote the education of the public about the trucking industry in Tennessee. The Foundation and the Association have an understanding that allows each to assist the other with financial necessities. These are accounted to in the "Due (To) From Related Party" account on the Foundation's Balance Sheet. The Foundation's Due to Related Party account was \$3,300 as of December 31, 2022 and the Due From Association account was \$80 as of December 31, 2021.

4. SCHOLARSHIPS

The Community Foundation administers the scholarship program. The Foundation paid The Community Foundation \$39,488 and \$2,500 for the years ended December 31, 2022 and 2021, respectively, for scholarships.

5. FAIR VALUE OF INVESTMENTS

The Foundation accounts for investments in accordance with FASB Accounting Standards Codification topic relating to Accounting for Certain Investments Held by Not-for-Profit Associations. Under FASB Accounting Standards Codification, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

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

Fair Value Measurements at December 31, 2022				
		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	\$ 911,575	\$ 911,575	\$ -	\$ -
	<u>\$ 911,575</u>	<u>\$ 911,575</u>	<u>\$ -</u>	<u>\$ -</u>

TENNESSEE TRUCKING FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

5. FAIR VALUE OF INVESTMENTS (Continued)

Fair Value Measurements at December 31, 2021				
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	Fair Value			
Equities	\$ 746,793	\$ 746,793	\$ -	\$ -
	<u>\$ 746,793</u>	<u>\$ 746,793</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.

6. INVESTMENTS

The Foundation invests in mutual funds. The fair market value of the investments as of December 31, 2022 and 2021 were:

	2022	2021
American Funds	\$ 41,861	\$ 47,061
Fundamental Investors Fund	137,082	164,514
Investment Company America	166,490	197,064
New Perspective Fund	97,356	131,288
SmallCap World Fund	39,595	56,484
RJ Fund of America	291,543	-
Washington Mutual Investment	137,648	150,382
Total Investments	<u>\$ 911,575</u>	<u>\$ 746,793</u>

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7. INCOME TAXES

The Foundation has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. It has been classified as a Foundation that is not a private foundation.

The Foundation files a U.S. Federal Form 990-Return of Association Exempt from Income Tax. The Foundation's returns for the years prior to fiscal year ended 2019 are no longer open for examination.

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.

8. UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, the Foundation has temporarily not been able to continue a portion of its activities. The extent to which these events will affect the amounts reported in future financial statements remains uncertain.

9. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 4, 2023, which is the date the financial statements were available to be issued.