

**TENNESSEE TRUCKING FOUNDATION**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2011 AND 2010**

# TENNESSEE TRUCKING FOUNDATION, INC.

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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying statements of financial position of the Tennessee Trucking Foundation, Inc. as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tennessee Trucking Foundation, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

February 2, 2012

**TENNESSEE TRUCKING FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2011 AND 2010**

**ASSETS**

	<u>2011</u>	<u>2010</u>
Cash	\$ 256,614	\$ 159,544
Investments	218,143	221,005
Equipment, net of accumulated depreciation of \$14,569 for 2011 and \$14,569 for 2010	-	-
Accounts Receivable	31,507	6,550
Prepaid Expense	-	35,000
Total Assets	<u>\$ 506,264</u>	<u>\$ 422,099</u>

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$ 4,051	\$ 13,370
Net Assets	<u>502,213</u>	<u>408,729</u>
Total Liabilities and Net Assets	<u>\$ 506,264</u>	<u>\$ 422,099</u>

The accompanying notes are an integral part of these statements.

**TENNESSEE TRUCKING FOUNDATION, INC.**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>REVENUES</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Big Rigs For Little Kids</b>		
West Tennessee Big Rigs	\$ 24,410	\$ 28,248
Middle Tennessee Big Rigs	59,511	52,534
East Tennessee Big Rigs	19,242	14,175
Chattanooga Big Rigs	17,422	12,152
Total Big Rigs For Little Kids	<u>120,585</u>	<u>107,109</u>
<b>Road Team/Miscellaneous</b>		
Silent Auction	130,636	70,176
Contributions, individual	4,750	2,600
TTF Capital Campaign	259,584	186,137
Ohip Trucking Association Award	10,000	-
Grant Income	11,000	-
Interest Income	281	226
Scholarships	-	300
Total Road Team/Miscellaneous	<u>416,251</u>	<u>259,439</u>
<b>Dividend Income</b>	<u>3,764</u>	<u>4,892</u>
<b>Unrealized Gain (Loss) on Investments</b>	<u>(6,622)</u>	<u>24,017</u>
<b>TOTAL REVENUES</b>	<u>533,978</u>	<u>395,457</u>
<b>EXPENSES</b>		
<b>Big Rigs For Little Kids</b>		
<b>West Tennessee Tournament</b>		
Tournament fees	5,471	6,031
Prizes and gifts	214	214
Total West Tennessee Tournament	<u>5,685</u>	<u>6,245</u>
<b>Middle Tennessee Tournament</b>		
Tournament fees	17,753	19,554
Printing and postage	-	661
Food and beverages	-	103
Prizes and gifts	8,088	7,794
Miscellaneous	1,239	500
Total Middle Tennessee Tournament	<u>27,080</u>	<u>28,512</u>

The accompanying notes are an integral part of

**TENNESSEE TRUCKING FOUNDATION, INC.**

**STATEMENTS OF ACTIVITIES (CONTINUED)**

**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**EXPENSES (continued)**

	<u>2011</u>	<u>2010</u>
<b>Big Rigs For Little Kids (continued)</b>		
<b>East Tennessee Tournament</b>		
Tournament fees	\$ 5,000	\$ 8,103
Prizes and gifts	3,698	-
Miscellaneous	260	-
Total Middle Tennessee Tournament	<u>8,958</u>	<u>8,103</u>
 <b>Southeast Tennessee Tournament</b>		
Tournament fees	3,464	2,453
Food and beverages	190	826
Prizes and gifts	2,816	1,556
Miscellaneous	-	258
Total Chattanooga Tournament	<u>6,470</u>	<u>5,093</u>
 <b>Not For Profit Charities</b>		
East Tennessee Children's Hospital	5,142	2,826
Ronald McDonald House-Memphis	-	7,418
Ronald McDonald House-Nashville	10,639	8,383
Make a Wish Foundation	-	7,418
Vanderbilt Children's Hospital	10,639	8,383
St. Jude's Hospital	1,500	1,500
Shriners' Transportation Fund	1,922	10,745
Total Not For Profit Charities	<u>29,842</u>	<u>46,673</u>
 <b>Scholarships</b>	<u>11,600</u>	<u>4,500</u>
 <b>Tennessee's Road Team</b>		
Silent auction	81,091	85,695
Training	3,252	1,836
Travel	27,363	23,196
Awards	519	-
Uniforms	3,974	-
Miscellaneous	2,899	1,754
Total Tennessee's Road Team	<u>119,098</u>	<u>110,484</u>

The accompanying notes are an integral part of

**TENNESSEE TRUCKING FOUNDATION, INC.**

**STATEMENTS OF ACTIVITIES (CONTINUED)**

**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

<b>EXPENSES (continued)</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>No Zone Tractor/Trailer</b>		
Convention	39,605	31,464
Repairs and maintenance	1,469	696
Operating	278	851
Insurance	3,511	3,291
Total No Zone Tractor/Trailer	<u>44,863</u>	<u>36,302</u>
 <b>General and Administrative</b>		
Professional services	119,502	56,139
Insurance	5,348	-
Bank fees	7,142	3,576
Miscellaneous	4,346	3,178
Total General and Administrative	<u>136,338</u>	<u>62,893</u>
 <b>Council of State Government</b>	<u>10,000</u>	<u>-</u>
 <b>Bonus</b>	<u>5,560</u>	<u>10,000</u>
 <b>TTA Administration Fees</b>	<u>35,000</u>	<u>35,000</u>
 <b>TOTAL EXPENSES</b>	<u>440,494</u>	<u>355,902</u>
 <b>CHANGE IN NET ASSETS</b>	93,484	39,555
 <b>NET ASSETS, beginning of the year</b>	<u>408,729</u>	<u>369,174</u>
 <b>NET ASSETS, end of the year</b>	<u><u>\$ 502,213</u></u>	<u><u>\$ 408,729</u></u>

The accompanying notes are an integral part of these

**TENNESSEE TRUCKING FOUNDATION, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 93,484	\$ 39,555
Adjustments to reconcile change in net assets to net cash provided by operations		
Unrealized (Gain) Loss on Investments	6,622	(24,017)
(Increase) decrease in:		
Accounts Receivable	(24,957)	9,100
Prepaid Expense	35,000	-
Increase (decrease) in:		
Accounts Payable	<u>(9,315)</u>	<u>(3,043)</u>
Net Cash Provided By Operating Activities	<u>100,834</u>	<u>21,595</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends Reinvested and Fees on Investments	<u>(3,764)</u>	<u>(4,876)</u>
Net Cash Used By Investing Activities	<u>(3,764)</u>	<u>(4,876)</u>
Net Increase In Cash	97,070	16,719
Cash, beginning of the year	<u>159,544</u>	<u>142,825</u>
Cash, end of the year	<u><u>\$256,614</u></u>	<u><u>\$159,544</u></u>

The accompanying notes are an integral part of



# **TENNESSEE TRUCKING FOUNDATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

### **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:**

Tennessee Trucking Foundation, Inc. prepares its financial statements and maintains its financial and accounting records on the accrual basis of accounting.

#### **Revenue Recognition:**

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, 2011.

*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, 2011.

**TENNESSEE TRUCKING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2011 AND 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash:**

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.

**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 \$11,600 and \$4,500 for the years ended December 31, 2011 and 2010, respectively, for scholarships.

**TENNESSEE TRUCKING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2011 AND 2010**

**3. INVESTMENTS**

The Foundation invests in mutual funds. The fair market value of the investments as of December 31, 2011 and 2010 are:

	<u>2011</u>	<u>2010</u>
American Funds	\$ 29,638	\$ 27,500
Fundamental Investors Fund	44,032	44,882
Investment Company America	45,500	46,314
New Perspective Fund	33,245	35,979
SmallCap World Fund	21,131	24,669
Washington Mutual Investment	<u>44,597</u>	<u>41,661</u>
Total	<u>\$ 218,143</u>	<u>\$ 221,005</u>

**4. 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, 2011 Using</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	<u>\$ 218,143</u>	<u>\$ 218,143</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 218,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Fair Value Measurements at December 31, 2010 Using</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	<u>\$ 221,005</u>	<u>\$ 221,005</u>		
	<u>\$ 221,005</u>			

**TENNESSEE TRUCKING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2011 AND 2010**

**4. FAIR VALUE OF INVESTMENTS (CONTINUED)**

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.

**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 February 2, 2012, which is the date the financial statements were available to be issued.