

TENNESSEE TRUCKING FOUNDATION, INC.

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

DECEMBER 31, 2019 AND 2018

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, 2019 and 2018, and the related statements of activities, functional expenses, 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, 2019 and 2018, 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

Bretnwood, Tennessee

April 24, 2020

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash	\$ 113,271	\$ 104,770
Investments	344,657	274,163
Accounts Receivable	4,900	18,092
Due from Related Party	<u>4,700</u>	<u>7,350</u>
Total Current Assets	<u>467,528</u>	<u>404,375</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>\$ 467,528</u></u>	<u><u>\$ 404,375</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 2,505	\$ -
Unearned Revenue	<u>4,700</u>	<u>-</u>
Total Liabilities	<u>7,205</u>	<u>-</u>
NET ASSETS		
Net Assets Without Donor Restrictions	<u>460,323</u>	<u>404,375</u>
Total Liabilities and Net Assets	<u><u>\$ 467,528</u></u>	<u><u>\$ 404,375</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, 2019 AND 2018

REVENUES	<u>2019</u>	<u>2018</u>
Big Rigs For Little Kids		
West Tennessee Big Rigs	\$ 15,580	\$ 24,883
Middle Tennessee Big Rigs	79,992	73,793
East Tennessee Big Rigs	18,400	25,262
Chattanooga Big Rigs	15,265	17,104
Total Big Rigs For Little Kids	<u>129,237</u>	<u>141,042</u>
Road Team/Miscellaneous		
Silent Auction	36,863	42,880
Contributions, Individual	51,072	75,454
TTF Capital Campaign	62,850	56,750
Grant	78,900	61,590
Interest	63	29
Total Road Team/Miscellaneous	<u>229,748</u>	<u>236,703</u>
Raffle Program	69,552	71,889
Kroger Program	341	642
Other Grants	-	14,500
Children's Books	25	511
The Big Payback	2,074	-
Dividend Income	18,982	22,774
Unrealized and Realized Gain (Loss) on Investments	51,512	(39,145)
Miscellaneous Income	628	886
Scholarships	<u>20,500</u>	<u>5,250</u>
Total Revenues	<u>\$ 522,599</u>	<u>\$ 455,052</u>
EXPENSES		
Program Services	\$ 304,056	\$ 267,012
Management and General	103,849	60,131
Fundraising	<u>58,746</u>	<u>79,342</u>
Total Expenses	<u>466,651</u>	<u>406,485</u>
Change in Net Assets	55,948	48,567
Net Assets, beginning of the year	<u>404,375</u>	<u>355,808</u>
Net Assets, end of the year	<u><u>\$ 460,323</u></u>	<u><u>\$ 404,375</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Fundraising	Total
Big Rigs for Little Kids				
West Tennessee Tournament				
Tournament Fees	\$ 6,508	\$ 362	\$ 362	\$ 7,232
Prizes and Gifts	338	19	19	376
Total West Tennessee Tournament	6,846	381	381	7,608
Middle Tennessee Tournament				
Tournament Fees	25,192	1,400	1,400	27,992
Prizes and Gifts	11,677	649	649	12,975
Printing/Postage	900	50	50	1,000
Miscellaneous	1,726	96	96	1,918
Total Middle Tennessee Tournament	39,495	2,195	2,195	43,885
East Tennessee Tournament				
Tournament Fees	8,360	465	465	9,290
Prizes and Gifts	1,170	65	65	1,300
Total East Tennessee Tournament	9,530	530	530	10,590
Southeast Tennessee Tournament				
Tournament Fees	3,893	216	216	4,325
Food and Beverage	1,143	64	64	1,271
Total Southeast Tennessee Tournament	5,036	280	280	5,596
Not-for-Profit Charities				
East TN Child Hosp	3,886	216	216	4,318
Ronald - Memphis	2,391	133	133	2,657
Ronald - Nashville	11,353	631	631	12,615
Make a Wish	2,391	133	133	2,657
Shriners'	5,796	322	322	6,440
Total Not-for-Profit Charities	25,817	1,435	1,435	28,687
Scholarships	6,300	350	350	7,000

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Fundraising	Total
Tennessee Road Team				
Silent Auction	\$ 8,597	\$ 478	\$ 478	\$ 9,553
Training	3,626	202	202	4,030
Travel	103,941	5,774	5,774	115,489
Miscellaneous	12,847	714	714	14,275
Total Tennessee Road Team	129,011	7,168	7,168	143,347
No Zone				
Convention	61,859	3,437	3,437	68,733
Operating	10,651	592	592	11,835
Insurance	2,691	150	150	2,991
Total No Zone	75,201	4,179	4,179	83,559
General and Administrative				
TTA Administration	3,000	54,000	3,000	60,000
Professional Services	470	8,460	470	9,400
Bank Fees	60	1,073	60	1,193
Office	23	411	23	457
Miscellaneous	1,184	21,304	1,184	23,672
Total General and Administrative	4,737	85,248	4,737	94,722
Fundraising				
Grant Expenses	778	778	14,009	15,565
Raffle	1,056	1,056	19,010	21,122
Sponsors	100	100	1,800	2,000
TTF Auction	149	149	2,672	2,970
Total Fundraising	2,083	2,083	37,491	41,657
Total Expenses	\$ 304,056	\$ 103,849	\$ 58,746	\$ 466,651

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Management and General	Fundraising	Total
Big Rigs for Little Kids				
West Tennessee Tournament				
Tournament Fees	\$ 6,067	\$ 337	\$ 337	\$ 6,741
Prizes and Gifts	309	17	17	343
Total West Tennessee Tournament	6,376	354	354	7,084
Middle Tennessee Tournament				
Tournament Fees	29,747	1,653	1,653	33,053
Prizes and Gifts	784	44	44	872
Printing/Postage	584	33	33	650
Miscellaneous	1,196	67	67	1,330
Total Middle Tennessee Tournament	32,311	1,797	1,797	35,905
East Tennessee Tournament				
Tournament Fees	11,294	628	628	12,550
Prizes and Gifts	540	30	30	600
Total East TN Tournament	11,834	658	658	13,150
Southeast Tennessee Tournament				
Tournament Fees	3,824	213	213	4,250
Prizes and Gifts	234	13	13	260
Food and Beverage	1,371	76	76	1,523
Total Southeast Tennessee Tournament	5,429	302	302	6,033
Not-for-Profit Charities				
St Jude's Hospital	900	50	50	1,000
East TN Child Hosp	5,450	303	303	6,056
Ronald - Memphis	5,339	297	297	5,933
Ronald - Nashville	12,453	692	692	13,837
Make a Wish	5,339	297	297	5,933
Shriners' Transportation Fund	6,635	369	369	7,373
Total Not-for-Profit Charities	36,116	2,008	2,008	40,132
Scholarships	3,420	190	190	3,800

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Management and General	Fundraising	Total
Tennessee Road Team				
Silent Auction	\$ 9,842	\$ 547	\$ 547	\$ 10,936
Training	1,538	85	85	1,708
Travel	84,147	4,675	4,675	93,497
Miscellaneous	6,489	360	360	7,209
Total Tennessee Road Team	102,016	5,667	5,667	113,350
No Zone				
Convention	57,146	3,175	3,175	63,496
Operating	3,999	222	222	4,443
Insurance	2,551	142	142	2,835
Total No Zone	63,696	3,539	3,539	70,774
General and Administrative				
TTA Administration	1,000	18,000	1,000	20,000
Professional Services	450	8,100	450	9,000
Bank Fees	333	5,999	333	6,665
Office	40	719	40	799
Miscellaneous	518	9,325	518	10,361
Total General and Administrative	2,341	42,143	2,341	46,825
Fundraising				
Grant Expenses	2,083	2,083	37,484	41,650
Raffle	1,067	1,067	19,197	21,331
Sponsors	100	100	1,800	2,000
Children's Book	1	1	11	13
TTF Auction	222	222	3,994	4,438
Total Fundraising	3,473	3,473	62,486	69,432
Total Expenses	\$ 267,012	\$ 60,131	\$ 79,342	\$ 406,485

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2019</u>	<u>2018</u>
Change in Net Assets	\$ 55,948	\$ 48,567
Adjustments to reconcile change in net assets to net cash provided by operations		
Realized/Unrealized (Gain) Loss on Investments	(51,512)	39,145
(Increase) Decrease in:		
Accounts Receivable	13,192	(18,092)
Due from Related Party	2,650	(7,350)
Increase (Decrease) in:		
Accounts Payable	2,505	-
Unearned Revenue	4,700	-
Net Cash Provided (Used) by Operating Activities	<u>27,483</u>	<u>62,270</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends Reinvested and Fees on Investments	<u>(18,982)</u>	<u>(22,774)</u>
Net Cash Provided (Used) by Investing Activities	<u>(18,982)</u>	<u>(22,774)</u>
Net Increase (Decrease) In Cash	8,501	39,496
Cash, beginning of the year	<u>104,770</u>	<u>65,274</u>
Cash, end of the year	<u><u>\$ 113,271</u></u>	<u><u>\$ 104,770</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

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 \$460,323 and \$404,375 of net assets without donor restrictions as of December 31, 2019 and 2018, 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, 2019 or 2018.

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, 2019 AND 2018

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 2016 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 \$7,000 and \$3,800 for the years ended December 31, 2019 and 2018, respectively, for scholarships.

TENNESSEE TRUCKING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2019 AND 2018

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, 2019</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	\$ 344,657	\$ 344,657	\$ -	\$ -
	<u>\$ 344,657</u>	<u>\$ 344,657</u>	<u>\$ -</u>	<u>\$ -</u>
		<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>

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, 2019 AND 2018

4. INVESTMENTS

The Foundation invests in mutual funds. The fair market value of the investments as of December 31, 2019 and 2018 were:

	<u>2019</u>	<u>2018</u>
American Funds	\$ 18,029	\$ 17,324
Fundamental Investors Fund	80,772	63,300
Investment Company America	79,776	64,056
New Perspective Fund	58,196	44,737
SmallCap World Fund	37,276	28,504
Washington Mutual Investment	<u>70,608</u>	<u>56,242</u>
 Total Investments	 <u><u>\$ 344,657</u></u>	 <u><u>\$ 274,163</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, 2019 and 2018, reduced by amounts not available for general use:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	<u>\$ 113,271</u>	<u>\$ 104,770</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 113,271</u></u>	 <u><u>\$ 104,770</u></u>

There is an adequate amount of financial assets available as of December 31, 2019 and 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, 2019 AND 2018

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 \$4,700 and \$7,350 as of December 31, 2019 and 2018, respectively.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 24, 2020, which is the date the financial statements were available to be issued.