

**ONE GENERATION AWAY, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
One Generation Away, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of One Generation Away, Inc. (a Tennessee not-for-profit corporation, the "Organization") which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, (collectively, 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 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 auditors' 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 One Generation Away, Inc. as of December 31, 2015 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Blankenship CPA Group PLLC

November 10, 2016

**ONE GENERATION AWAY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

ASSETS

CURRENT ASSETS	
Cash	\$ 32,730
Inventory	<u>1,700</u>
Total Current Assets	34,430
EQUIPMENT, NET	<u>23,254</u>
TOTAL ASSETS	<u><u>\$ 57,684</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accrued expenses	<u>\$ 9,700</u>
Total Current Liabilities	9,700
NET ASSETS	
Unrestricted	<u>47,984</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 57,684</u></u>

The accompanying notes are an integral part of these financial statements.

ONE GENERATION AWAY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2015

CHANGE IN UNRESTRICTED NET ASSETS

Public Support	
Contributions	\$ 177,482
Donated food	<u>728,076</u>
Total Public Support	<u>905,558</u>
Functional Expenses	
Program services	847,577
Supporting services	<u>43,503</u>
Total Functional Expenses	<u>891,080</u>
INCREASE IN UNRESTRICTED NET ASSETS	14,478
NET ASSETS, BEGINNING OF THE YEAR	<u>33,506</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 47,984</u></u>

The accompanying notes are an integral part of these financial statements.

ONE GENERATION AWAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Program Services	Supporting Services			Grand Total
		Management and General	Fundraising	Total	
Food Distribution	\$ 766,024	\$ -	\$ -	\$ -	\$ 766,024
Advertising and Promotion	537	269	1,882	2,151	2,688
Conferences and Meetings	113	-	-	-	113
Depreciation	4,963	-	-	-	4,963
Insurance	3,016	1,292	-	1,292	4,308
Professional Fees	-	7,700	-	7,700	7,700
Miscellaneous	1,045	-	-	-	1,045
Occupancy	26,008	-	-	-	26,008
Office Expenses	358	2,864	358	3,222	3,580
Salaries and Wages	45,334	14,210	14,210	28,420	73,754
Travel	179	359	359	718	897
	<u>\$ 847,577</u>	<u>\$ 26,694</u>	<u>\$ 16,809</u>	<u>\$ 43,503</u>	<u>\$ 891,080</u>

The accompanying notes are an integral part of these financial statements.

ONE GENERATION AWAY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:	
Increase in net assets	\$ 14,478
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	4,963
Donated inventory	(1,200)
Increase in operating liabilities:	
Accrued expenses	7,700
Total adjustments	11,463
Net cash provided by operating activities	25,941
Cash flows from investing activities:	
Purchase of equipment	(22,340)
Net cash used by investing activities	(22,340)
Increase in cash	3,601
Cash, beginning of the year	29,129
Cash, end of the year	\$ 32,730

The accompanying notes are an integral part of these financial statements.

ONE GENERATION AWAY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

One Generation Away, Inc., (the Organization) is a Tennessee not-for-profit corporation dedicated to eliminating racism, denominationalism, and poverty in America primarily through encouraging individuals and communities to participate in food distribution events in impoverished neighborhoods. The Organization's primary sources of support are donated food and cash contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

The Organization generally maintains cash on deposit at financial institutions which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related to cash.

Inventory

Inventory consists of donated food received from food drives, food companies and grocery stores. Donated food is valued at \$2.00 per pound, the estimated fair market value at date of donation.

ONE GENERATION AWAY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Under these provisions, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Permanently restricted net assets - net assets that are subject to donor imposed restrictions that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income from these assets.

Contributions that are restricted for specific programs are reflected as unrestricted support if the restriction is fulfilled during the same fiscal year as it is received.

Donated Goods and Services

Donated goods are recorded as in-kind contributions in the period received at their estimated fair value, if there is an objective and measurable basis for determining such value.

Donated services are recognized if they create or enhance nonfinancial assets or the donated services requires specialized skills, was performed by a donor who possess such skills, and would have been purchased by the Organization, if not donated. Such services are recognized at estimated fair value as support and expense in the period the services were performed.

The value of donated goods and services included in the statements of activities and changes in net assets and the corresponding expenses for the year ended December 31, 2015 was \$710,288.

A number of unpaid volunteers have made contributions of their time to assist the Organization in various ways. The value of contributed time is not reflected in these financial statements since it is not susceptible to objective measure or valuation.

ONE GENERATION AWAY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as a charitable organization. Accordingly, no provision for income tax has been made.

Accounting principles generally accepted in the United States of America require the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Organization's management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2015 no uncertain positions are taken or are expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions for the periods of 2012 to the present; however, there are currently no audits for any tax periods in progress.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services.

NOTE 3 - EQUIPMENT

The Organization's equipment consists of the following as of December 31, 2015:

Vehicles	\$ 22,340
Equipment	<u>6,200</u>
	28,540
Less accumulated depreciation	<u>(5,286)</u>
	<u>\$ 23,254</u>

NOTE 4 - ADVERTISING COSTS

The Organization uses advertising to promote its programs. Advertising costs are expensed as incurred. For the year ended December 31, 2015, advertising expense was \$2,488.

ONE GENERATION AWAY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 5 - LEASING ARRANGEMENTS

The Organization leases warehouse space under an operating lease which expires on November 30, 2018. Lease expense for the facility was \$24,150 for the year ending December 31, 2015.

The minimum lease payments required under this operating lease as of December 31, 2015 are as follows:

<u>Years ending December 31:</u>	
2016	\$ 25,900
2017	27,100
2018	<u>25,850</u>
Total	<u>\$ 78,850</u>

NOTE 6 - CONCENTRATION OF INCOME SOURCES

During 2015, the Organization received approximately 80% of its total revenue from in-kind food donations. Food donations from a single donor comprised approximately 44% of total revenue.

NOTE 7 - MANAGERMENTS' REVIEW

The Organization's management has evaluated subsequent events through November 10, 2016, the date which the financial statements were available to be issued.