

**ONE GENERATION AWAY, INC.**  
**(A NONPROFIT ORGANIZATION)**

**FRANKLIN, TENNESSEE**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

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# JOB, HASTINGS & ASSOCIATES

*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
One Generation Away, Inc.  
Franklin, Tennessee

We have audited the accompanying financial statements of One Generation Away, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 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 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 One Generation Away, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Jobe, Hastings & Associates*

Certified Public Accountants

Murfreesboro, Tennessee  
September 18, 2020

**ONE GENERATION AWAY, INC.**  
**(A NONPROFIT ORGANIZATION)**

**Franklin, Tennessee**

**Statement of Financial Position**

**December 31, 2019**

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**ASSETS**

Current Assets-		
Cash and cash equivalents	\$	70,826
Inventory		<u>230,435</u>
	TOTAL CURRENT ASSETS	\$ <u>301,261</u>
Fixed Assets-		
Vehicles	\$	268,259
Equipment		<u>101,585</u>
	\$	<u>369,844</u>
Less accumulated depreciation		<u>(108,108)</u>
	\$	<u>261,736</u>
	TOTAL ASSETS	\$ <u><u>562,997</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities-		
Accounts payable	\$	4,899
Accrued wages		<u>15,362</u>
	TOTAL CURRENT LIABILITIES	\$ <u>20,261</u>
Net Assets-		
Without donor restrictions	\$	<u>542,736</u>
	TOTAL NET ASSETS	\$ <u>542,736</u>
	TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>562,997</u></u>

See notes to financial statements.

**ONE GENERATION AWAY, INC.**  
**(A NONPROFIT ORGANIZATION)**

**Franklin, Tennessee**

**Statement of Activities**

**For the Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains, and Other Support			
Contributions -			
Contributions	\$ 454,264		\$ 454,264
Fund-raising events	200,996		200,996
Grants	133,526		133,526
Donated food	6,161,437		6,161,437
Miscellaneous income	158		158
Loss on disposal of fixed assets	(10,483)		(10,483)
Net assets released from restrictions	7,502	\$ (7,502)	
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	<u>\$ 6,947,400</u>	<u>\$ (7,502)</u>	<u>\$ 6,939,898</u>
Expenses -			
Program services	\$ 6,537,387		\$ 6,537,387
Supporting services -			
Management and general	169,815		169,815
Fundraising	82,053		82,053
TOTAL EXPENSES	<u>\$ 6,789,255</u>		<u>\$ 6,789,255</u>
CHANGE IN NET ASSETS	\$ 158,145	\$ (7,502)	\$ 150,643
Net Assets, Beginning of year	384,591	7,502	392,093
NET ASSETS, END OF YEAR	<u>\$ 542,736</u>	<u>\$ -</u>	<u>\$ 542,736</u>

See notes to financial statements.

**ONE GENERATION AWAY, INC.**  
**(A NONPROFIT ORGANIZATION)**

**Franklin, Tennessee**

**Statement of Functional Expenses**

**For the Year Ended December 31, 2019**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fund- Raising</u>	
Salaries	\$ 125,980	\$ 105,208	\$ 45,760	\$ 276,948
Payroll taxes	9,646	8,055	3,504	21,205
Payroll fees	608	508	221	1,337
TOTAL SALARIES AND RELATED EXPENSES	\$ <u>136,234</u>	\$ <u>113,771</u>	\$ <u>49,485</u>	\$ <u>299,490</u>
Food distribution	6,194,870			6,194,870
Occupancy	84,672	8,725	8,093	101,490
Depreciation	64,049			64,049
Advertising and promotion	15,315	3,927	21,660	40,902
Office expense	16,781	20,897	1,071	38,749
Insurance	11,377	7,215	325	18,917
Professional fees		15,280		15,280
Contributions	6,852			6,852
Materials and supplies	3,324		1,419	4,743
Travel	3,913			3,913
TOTAL EXPENSES	\$ <u><u>6,537,387</u></u>	\$ <u><u>169,815</u></u>	\$ <u><u>82,053</u></u>	\$ <u><u>6,789,255</u></u>

See notes to financial statements.

**ONE GENERATION AWAY, INC.**  
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**Franklin, Tennessee**

**Statement of Cash Flows**

**For the Year Ended December 31, 2019**

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CASH FLOWS FROM OPERATING ACTIVITIES-

Change in net assets	\$ 150,643
To reconcile change in net assets to net cash provided by operating activities-	
Add: Depreciation	64,049
Loss on disposal of fixed assets	10,483
Decrease in deposits	4,200
Increase in accrued wages	15,362
Deduct: Noncash grant of vehicles and equipment	(6,500)
Increase in inventory	(127,532)
Decrease in accounts payable	(22,357)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 88,348</u>

CASH FLOWS FROM INVESTING ACTIVITIES-

Purchases of fixed assets	\$ (135,501)
NET CASH USED BY INVESTING ACTIVITIES	<u>\$ (135,501)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS \$ (47,153)

Cash and cash equivalents, beginning of year	117,979
CASH AND CASH EQUIVALENTS , END OF YEAR	<u><u>\$ 70,826</u></u>

NON CASH INVESTING ACTIVITIES -

Noncash grant of vehicles and equipment	\$ 6,500
	<u><u>\$ 6,500</u></u>

See notes to financial statements.

**ONE GENERATION AWAY, INC.**  
**(A NONPROFIT ORGANIZATION)**

**Franklin, Tennessee**

**Notes to Financial Statements**

**December 31, 2019**

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Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Presentation - The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization had no net assets with donor restrictions at December 31, 2019.

Contributions - The Organization follows US GAAP whereby contributions received are recorded as support with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for use at the discretion of management and the board of directors unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or specific purposes are reported as support with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, it is reported as support without donor restrictions.

Support and Revenue - Sources of revenue include private donations of cash and food items, grants and fund raising events.

Functional Allocation of Expenses - The costs of providing the program and supporting services have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

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 results could differ from those estimates.

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation under Section 509(a)(2) and generally is also exempt from state income taxes. Accordingly, federal and state income taxes are not provided in the accompanying financial statements.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2018, 2017, and 2016 tax years. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the year ended December 31, 2019.



**ONE GENERATION AWAY, INC.**  
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**Franklin, Tennessee**

**Notes to Financial Statements (continued)**

**December 31, 2019**

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Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

Cash and Cash Equivalents - Cash and cash equivalents consist of short-term, highly liquid investments with an initial maturity of three months or less. Cash restricted by internal or external designations, if any, is generally maintained in separate accounts. The Organization had no cash equivalents at December 31, 2019.

Property and Equipment - Fixed assets with a value of \$1,000 or greater are recorded at cost as of the date of acquisition or fair value as of the date of receipt if contributed. Depreciation is computed using the straight-line method based on the estimated useful life of the asset. Expenditures for maintenance and repairs are charged to expense as incurred. Major improvements are capitalized. Depreciation expense was \$64,049 for the year ended December 31, 2019.

Inventory - Inventory primarily consists of food items donated for distribution to the hungry and needy, received from food drives, food companies and grocery stores. Donated food is valued at \$2.50 per pound, the estimated fair market value at the date of donation. Generally, inventory is distributed within 30 days of receipt.

Advertising Costs - The Organization expenses advertising and promotional costs as incurred. Advertising and promotional costs were \$40,902 for the year ended December 31, 2019.

Donated Services - The Organization has many unpaid volunteers who contribute their time to forward the Organization's program services. The value of that contributed time, though significant, does not meet the criteria for recognition in these statements. Professional services are recorded at market value, generally as estimated by the provider.

Subsequent Events - Management has evaluated subsequent events through September 18, 2020, the date the financial statements were available to be issued.

Note B - CONCENTRATIONS

For the year ended 2019, one donor gave approximately 33% of the dollar value of donated food. Additionally, the Organization receives a substantial amount of its monetary support from the communities it serves, primarily from foundations, churches, corporations, organizations, agencies and individuals. Any significant reduction in the levels of this support from any of these sources, if this were to occur, could have an adverse effect on the Organization's programs and activities.

The Organization maintains its 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 it is not exposed to any significant credit risk related to its cash.

Note C - FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash. The Organization estimates that the fair value of all financial instruments at December 31, 2019, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Note D - LEASE COMMITMENTS

The Organization entered into a 28 month lease effective December 1, 2018. The agreement requires monthly lease payments of \$6,781. The lease may be terminated with 30 days written notice, however, the Organization would be required to pay \$444 for each month remaining of the term. The total lease expense for the year ended December 31, 2019 under this agreement totaled \$81,372.

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**Notes to Financial Statements (continued)**

**December 31, 2019**

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Note D - LEASE COMMITMENTS (continued)

The minimum lease payments required under the operating lease as of December 31, 2019 are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Minimum Lease</u> <u>Commitments</u>
2020	\$ 81,372
2021	<u>20,343</u>
	<u>\$ 101,715</u>

Note E - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date:

Financial assets at year end -	
Cash	\$ <u>70,826</u>
	Total financial assets \$ <u>70,826</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u>70,826</u>

The Organization's goal is generally to maintain financial assets to be available to meet its general expenditures, liabilities, and other obligations as they come due.

Note F - EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. Salaries and related benefits have been allocated on the basis of estimates of time and effort. Occupancy expenses are allocated based upon estimates of utilization of the building.

Note G - SUBSEQUENT EVENTS

Subsequent to December 31, 2019, due to a pandemic (COVID-19) the Organization modified the operations beginning in March 2020. The Organization received an SBA Paycheck Protection Program (PPP) loan in the amount of \$54,768. Management believes the applicable requirements of the PPP loan will be met, and the full amount of the loan will be forgiven. An estimate of the financial effect of the pandemic on the Organization's contribution revenue and fund-raising events revenue cannot be made as of September 18, 2020.