

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

**FRANKLIN, TENNESSEE**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**CONTENTS**

|                                       |      |      |
|---------------------------------------|------|------|
| Independent Auditor's Report .....    | Page | 3    |
| Statement of Financial Position ..... |      | 4    |
| Statement of Activities .....         |      | 5    |
| Statement of Functional Expenses..... |      | 6    |
| Statement of Cash Flows.....          |      | 7    |
| Notes to Financial Statements .....   |      | 8-10 |



# 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, 2020, 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, 2020, 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.

Certified Public Accountants

Murfreesboro, Tennessee  
September 21, 2021

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

**Franklin, Tennessee**

**Statement of Financial Position**

**December 31, 2020**

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ASSETS

|                               |                      |                            |
|-------------------------------|----------------------|----------------------------|
| Current Assets-               |                      |                            |
| Cash and cash equivalents     | \$                   | 868,357                    |
| Grants receivable             |                      | 7,730                      |
| Miscellaneous receivable      |                      | 158                        |
| Inventory                     |                      | 453,942                    |
|                               | TOTAL CURRENT ASSETS | \$ <u>1,330,187</u>        |
| <br>                          |                      |                            |
| Fixed Assets-                 |                      |                            |
| Vehicles                      | \$                   | 303,572                    |
| Equipment                     |                      | 123,672                    |
|                               |                      | <u>427,244</u>             |
| Less accumulated depreciation |                      | (183,826)                  |
|                               |                      | <u>243,418</u>             |
|                               | TOTAL ASSETS         | \$ <u><u>1,573,605</u></u> |

LIABILITIES AND NET ASSETS

|                            |                                  |                            |
|----------------------------|----------------------------------|----------------------------|
| Current Liabilities-       |                                  |                            |
| Accounts payable           | \$                               | 17,504                     |
| Accrued wages              |                                  | 5,824                      |
| Deferred revenue           |                                  | 10,000                     |
|                            | TOTAL CURRENT LIABILITIES        | \$ <u>33,328</u>           |
| <br>                       |                                  |                            |
| Net Assets-                |                                  |                            |
| Without donor restrictions | \$                               | 1,525,277                  |
| With donor restrictions    |                                  | 15,000                     |
|                            | TOTAL NET ASSETS                 | \$ <u>1,540,277</u>        |
|                            | TOTAL LIABILITIES AND NET ASSETS | \$ <u><u>1,573,605</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, 2020**

|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With<br/>Donor<br/>Restrictions</u> | <u>Total</u>               |
|--|---|--|----------------------------|
| Revenues, Gains, and Other Support       |   |  |                            |
| Contributions -                          |   |  |                            |
| Contributions                            | \$ 1,524,653                              | \$ 15,000                              | \$ 1,539,653               |
| Fund-raising events                      | 131,482                                   |  | 131,482                    |
| Grants                                   | 187,766                                   |  | 187,766                    |
| Donated food                             | 12,699,555                                |  | 12,699,555                 |
| PPP loan forgiveness                     | 55,059                                    |  | 55,059                     |
| Miscellaneous income                     | 1,039                                     |  | 1,039                      |
| Gain on disposal of fixed assets         | 304                                       |  | 304                        |
| Net assets released from restrictions    | -   |  | -                          |
| TOTAL REVENUES, GAINS, AND OTHER SUPPORT | <u>\$ 14,599,858</u>                      | <u>\$ 15,000</u>                       | <u>\$ 14,614,858</u>       |
| Expenses -                               |   |  |                            |
| Program services                         | \$ 13,276,699                             |  | \$ 13,276,699              |
| Supporting services -                    |   |  |                            |
| Management and general                   | 254,563                                   |  | 254,563                    |
| Fundraising                              | 86,055                                    |  | 86,055                     |
| TOTAL EXPENSES                           | <u>\$ 13,617,317</u>                      |  | <u>\$ 13,617,317</u>       |
| CHANGE IN NET ASSETS                     | \$ 982,541                                | \$ 15,000                              | \$ 997,541                 |
| Net Assets, Beginning of year            | 542,736                                   | -                                      | 542,736                    |
| NET ASSETS, END OF YEAR                  | <u><u>\$ 1,525,277</u></u>                | <u><u>\$ 15,000</u></u>                | <u><u>\$ 1,540,277</u></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, 2020**

|                                     | <u>Program<br/>Services</u> | <u>Supporting Services</u>        |                          | <u>Total</u>                |
|-------------------------------------|-----------------------------|-----------------------------------|--------------------------|-----------------------------|
|                                     |                             | <u>Management<br/>and General</u> | <u>Fund-<br/>Raising</u> |                             |
| Salaries                            | \$ 165,184                  | \$ 166,466                        | \$ 61,543                | \$ 393,193                  |
| Payroll taxes                       | 12,460                      | 12,557                            | 4,642                    | 29,659                      |
| Payroll fees                        | 617                         | 621                               | 230                      | 1,468                       |
| TOTAL SALARIES AND RELATED EXPENSES | \$ <u>178,261</u>           | \$ <u>179,644</u>                 | \$ <u>66,415</u>         | \$ <u>424,320</u>           |
| Food distribution                   | 12,849,734                  |                                   |                          | 12,849,734                  |
| Occupancy                           | 93,124                      | 9,530                             | 7,350                    | 110,004                     |
| Depreciation                        | 80,563                      |                                   |                          | 80,563                      |
| Office expense                      | 19,820                      | 36,718                            |                          | 56,538                      |
| Advertising and promotion           | 20,011                      | 8,706                             | 12,290                   | 41,007                      |
| Insurance                           | 16,313                      | 4,469                             |                          | 20,782                      |
| Professional fees                   |                             | 15,010                            |                          | 15,010                      |
| Contributions                       | 11,208                      |                                   |                          | 11,208                      |
| Travel                              | 6,776                       | 52                                |                          | 6,828                       |
| Materials and supplies              | 889                         | 143                               |                          | 1,032                       |
| Interest                            |                             | 291                               |                          | 291                         |
| TOTAL EXPENSES                      | \$ <u><u>13,276,699</u></u> | \$ <u><u>254,563</u></u>          | \$ <u><u>86,055</u></u>  | \$ <u><u>13,617,317</u></u> |

See notes to financial statements.

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

**Franklin, Tennessee**

**Statement of Cash Flows**

**For the Year Ended December 31, 2020**

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CASH FLOWS FROM OPERATING ACTIVITIES-

|   |                   |
|---|-------------------|
| Change in net assets  | \$ 997,541        |
| Adjustments to reconcile change in net assets to net cash used by operating activities- |                   |
| Depreciation  | 80,563            |
| Gain on disposal of fixed assets  | (304)             |
| Forgiveness of Paycheck Protection Program loan   | (54,768)          |
| Changes in assets and liabilities-  |                   |
| Increase in grants receivable   | (7,730)           |
| Increase in miscellaneous receivable  | (158)             |
| Increase in inventory   | (223,507)         |
| Increase in accounts payable  | 11,098            |
| Decrease in accrued wages   | (9,538)           |
| Increase in deferred revenue  | 10,000            |
| NET CASH PROVIDED BY OPERATING ACTIVITIES   | <u>\$ 803,197</u> |

CASH FLOWS FROM INVESTING ACTIVITIES-

|                                       |                    |
|---------------------------------------|--------------------|
| Purchases of fixed assets             | <u>\$ (60,434)</u> |
| NET CASH USED BY INVESTING ACTIVITIES | <u>\$ (60,434)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES-

|   |                  |
|---|------------------|
| Proceeds from PPP loan                    | <u>\$ 54,768</u> |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>\$ 54,768</u> |

NET INCREASE IN CASH AND CASH EQUIVALENTS \$ 797,531

|  |                          |
|--|--------------------------|
| Cash and cash equivalents, beginning of year | 70,826                   |
| CASH AND CASH EQUIVALENTS , END OF YEAR      | <u><u>\$ 868,357</u></u> |

NON CASH INVESTING ACTIVITIES -

|  |                        |
|--|------------------------|
| Trade-in value of disposed capital asset | <u><u>\$ 9,300</u></u> |
|--|------------------------|

NON CASH FINANCING ACTIVITIES-

|   |                         |
|---|-------------------------|
| Forgiveness of Paycheck Protection Program loan | <u><u>\$ 54,768</u></u> |
|---|-------------------------|

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

**Franklin, Tennessee**

**Notes to Financial Statements**

**December 31, 2020**

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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 net assets with temporary purpose restrictions of \$15,000 at December 31, 2020.

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 2019, 2018, and 2017 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, 2020.



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

**Franklin, Tennessee**

**Notes to Financial Statements (continued)**

**December 31, 2020**

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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, 2020.

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 \$80,563 for the year ended December 31, 2020.

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 \$41,007 for the year ended December 31, 2020.

Contributed Services - The Organization relies on volunteers to deliver the program services to the Organization's clients, as well as to perform supporting services. Contributed services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. No contributed services met the criteria for recognition for the year ended December 31, 2020.

Subsequent Events - Management has evaluated subsequent events through September 21, 2021, the date the financial statements were available to be issued.

Note B - CONCENTRATIONS

For the year ended 2020, one donor gave approximately 25% 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. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balances, at times, may exceed the federally insured limit. At December 31, 2020, the Organization exceeded the insured limit by \$272,174. 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, 2020, 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 lease was amended in August 2020 to accommodate additional space for an additional \$406 per month over the remaining term of the lease. The total lease expense for the year ended December 31, 2020 under this agreement totaled \$83,402.

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

**Franklin, Tennessee**

**Notes to Financial Statements (continued)**

**December 31, 2020**

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Note D - LEASE COMMITMENTS (continued)

The minimum lease payments required under the operating lease as of December 31, 2020 are as follows:

| <u>Year ending</u><br><u>December 31,</u> | <u>Minimum Lease</u><br><u>Commitments</u> |
|---|--|
| 2021                                      | \$ <u>21,561</u>                           |
|   | \$ <u><u>21,561</u></u>                    |

Note E - NET ASSETS WITH DONOR RESTRICTIONS

Contributions with donor restrictions contain donor-imposed restrictions that direct the Organization to use the donation as specified and is satisfied either by the passage of time (time restriction) or by fulfilling the donor-imposed purpose (purpose restriction). A purpose restriction specifies the purpose or specific program that the contribution is to support. The release from a purpose restriction is by fulfillment of the purpose.

Net assets with donor restrictions consist of the following at December 31, 2020:

|  |                         |
|--|-------------------------|
| Restricted for additional truck driver | \$ <u>15,000</u>        |
|  | \$ <u><u>15,000</u></u> |

Note F - 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                   | \$ 868,357        |
| Total financial assets | \$ <u>868,357</u> |

Less amounts not available to be used within one year -

|   |                 |
|---|-----------------|
| Net assets with donor restrictions                                      | \$ 15,000       |
| Less net assets with purpose restrictions to be met in less than a year | <u>(15,000)</u> |
|   | \$ <u>-</u>     |

|   |                          |
|---|--------------------------|
| Financial assets available to meet general expenditures over the next twelve months | \$ <u><u>868,357</u></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 G - 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.

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

**Franklin, Tennessee**

**Notes to Financial Statements (continued)**

**December 31, 2020**

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Note H - RISKS AND UNCERTAINTIES RELATED TO THE PANDEMIC (COVID-19)

In March 2020, the World Health Organization classified a new strain of coronavirus outbreak as a pandemic (COVID-19). As a result of the outbreak, individuals, governments and financial markets have experienced unprecedented disruption and risk. The extent of the impact of COVID-19 on the Organization's operational and financial performance for the year ended December 31, 2020 cannot be measured. Additionally, subsequent to year end the effects of COVID-19 are ongoing. Risks associated with the outbreak have been lessened with the release of vaccines.

Note I - PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received loan proceeds in the amount of \$54,768 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty-four weeks as long the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The Organization's PPP loan was forgiven in full on October 21, 2020.

Note J - SUBSEQUENT EVENT

Subsequent to December 31, 2020, the Organization's office space lease (Note D) expired and was not renewed. The Organization signed a 60-month lease for a new location on March 23, 2021 which commenced on April 1, 2021.

Note K - FASB ASU 2014-09 NEW ACCOUNTING GUIDANCE IMPLEMENTATION

During the year ended December 31, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which outlines a single comprehensive model for recognizing revenue and supersedes most existing revenue recognition guidance, including guidance specific to the not-for-profit industry. ASU 2014-09 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect considerations to which the entity expects to be entitled in exchange for those goods or services. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. Management has determined that the Organization had no material sources of revenues from contracts with customers for the year ended December 31, 2020.