

BACKFIELD IN MOTION, INC.
(A Tennessee Not-For-Profit Organization)

December 31, 2018 and 2017

BACKFIELD IN MOTION, INC.
(A Tennessee Not-For-Profit Organization)
Financial Statements

Contents

Independent Auditor's Report	2-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Statement of Functional Expenses	7-8
Notes to Financial Statements	9-12
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13-14

HOPKINS-PAGE

CERTIFIED PUBLIC ACCOUNTANTS

8118A SAWYER BROWN ROAD * NASHVILLE, TENNESSEE 37221 * (615) 673-1120 * (615) 673-0989 (F)

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Backfield In Motion, Inc.
Nashville, TN 37206

We have audited the accompanying financial statements of Backfield In Motion, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities 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

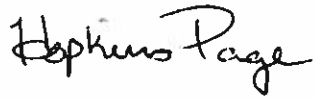
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 Backfield In Motion, Inc. as of December 31, 2018 and 2017, 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.

A handwritten signature in black ink, reading "Hopkins Page". The signature is written in a cursive, flowing style.

Nashville, Tennessee
March 4, 2019

Backfield in Motion, Inc.

Statement of Position

December 31	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash in banks and savings (See Note)	\$ 721,498	\$ 609,296
Accounts Receivable	54,422	92,759
Prepaid insurance	<u>6,180</u>	<u>7,170</u>
Total current assets	<u>782,100</u>	<u>709,225</u>
Property and equipment:		
Land	29,800	29,800
Office building	136,470	136,470
Office equipment and systems	49,714	49,714
Vehicles	<u>97,207</u>	<u>97,207</u>
	313,191	313,191
Less: Accumulated depreciation	<u>(186,375)</u>	<u>(163,435)</u>
Total property and equipment	<u>126,816</u>	<u>149,756</u>
TOTAL ASSETS	<u><u>\$ 908,916</u></u>	<u><u>\$ 858,981</u></u>
LIABILITES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 8,140	\$ -
Accrued payroll liabilities	<u>21,690</u>	<u>15,629</u>
Total current liabilities	<u>29,830</u>	<u>15,629</u>
Net assets without donor restrictions	<u>879,086</u>	<u>843,352</u>
TOTAL LIABILITES AND NET ASSETS	<u><u>\$ 908,916</u></u>	<u><u>\$ 858,981</u></u>

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

Backfield in Motion, Inc.

Statement of Activities

For the year ended December 31,	<u>2018</u>	<u>2017</u>
UNRESTRICTED NET ASSETS SUPPORT		
Grants/Contributions	\$ 522,329	\$ 469,787
Program contributions	110,031	127,540
Fundraising	<u>240,635</u>	<u>249,473</u>
Total support from operations	<u>872,995</u>	<u>846,800</u>
Investment and other income		
Dividends and interest	5,887	2,670
Other income	-	(7)
Total other income	<u>5,887</u>	<u>2,663</u>
TOTAL SUPPORT AND REVENUE FROM OPERATIONS	878,882	849,463
EXPENSES		
Program Services		
Depreciation	18,352	18,352
1st & 10 program	63,307	59,976
4th & 1 program	5,530	10,760
Education program	6,726	1,400
Program Administration	<u>473,641</u>	<u>355,450</u>
Total Program Service Expenses	<u>567,556</u>	<u>445,938</u>
Supporting Services		
Management and general	167,225	131,146
Fundraising	<u>108,367</u>	<u>92,412</u>
Total supporting services	<u>275,592</u>	<u>223,558</u>
Total expenses	<u>843,148</u>	<u>669,496</u>
Change in Net Assets	35,734	179,967
NET ASSETS, beginning of year	<u>843,352</u>	<u>663,383</u>
NET ASSETS, End of year	<u><u>\$ 879,086</u></u>	<u><u>\$ 843,352</u></u>

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

Backfield in Motion, Inc.

Statement of Cash Flows

For the year ended December 31,

	<u>2018</u>	<u>2017</u>
<u>Operating activities:</u>		
Changes in net assets	\$ 35,734	\$ 179,968
Adjustments to reconcile changes in net assets to cash provided by operations		
Depreciation	22,940	22,940
(Increase) decrease in Accounts Receivable	38,337	(40,508)
(Increase) decrease in prepaid expenses	990	(7,170)
Increase (decrease) in accounts payable	8,140	(12,000)
Increase (decrease) in accrued payroll liabilities	6,061	2,897
Add: Loss on sale of vehicle	-	400
Net cash provided by operating activities	<u>112,202</u>	<u>146,527</u>
<u>Investing activities:</u>		
Purchase of vehicles	-	-
Proceeds from sale of vehicle	-	500
Net cash provided by investing activities	<u>-</u>	<u>500</u>
<u>Financing activities:</u>		
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase in cash for the year	112,202	147,027
Cash - beginning of year	<u>609,296</u>	<u>462,269</u>
Cash - end of year	<u>\$ 721,498</u>	<u>\$ 609,296</u>

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

Backfield in Motion, Inc.

Statement of Functional Expenses

For the year ended December 31, 2018

<u>Operating Expenses:</u>	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fund Raising</u>
Grants (sponsorship)			\$ -	\$ -
1st & 10 program	63,307	63,307	-	-
4th and 1 program	5,530	5,530	-	-
Extra point academy program	-	-	-	-
Education program	6,726	6,726	-	-
Insurance	53,062	42,450	10,612	-
Bank & Credit Card Fees	2,957	-	2,957	-
Communications	2,310	-	2,310	-
Dues and Subscriptions	234	-	234	-
Marketing and development	10,689	-	-	10,689
Compensation of employees	553,280	387,296	121,722	44,262
Payroll taxes	51,153	41,434	7,161	2,558
Depreciation	22,940	18,352	4,588	-
Accounting	6,850	-	6,850	-
Legal	(1,316)	-	(1,316)	-
License and permits	360	-	360	-
Office expenses	10,701	2,461	8,240	-
Occupancy	-	-	-	-
Management costs	3,507	-	3,507	-
Golf tournament	17,150	-	-	17,150
Skeet shoot	33,708	-	-	33,708
Total Functional Expenses	\$ 843,148	\$ 567,556	\$ 167,225	\$ 108,367

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

Backfield in Motion, Inc.**Statement of Functional Expenses**

For the year ended December 31, 2017

<u>Operating Expenses:</u>	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fund Raising</u>
Grants (sponsorship)			\$ -	\$ -
1st & 10 program	59,976	59,976		
4th and 1 program	10,760	10,760		
Extra point academy program				
Education program	1,400	1,400		
Insurance	56,254	45,004	11,251	
Bank & Credit Card Fees	2,825		2,825	
Communications	2,020		2,020	
Dues and Subscriptions	1,271		1,271	
Marketing and development	4,430			4,430
Compensation of employees	401,252	280,877	88,276	32,100
Payroll taxes	33,543	27,170	4,696	1,677
Depreciation	22,940	18,352	4,588	
Accounting	6,850		6,850	
Legal				
License and permits	295		295	
Office expenses	10,317	2,399	7,918	
Occupancy		-		
Management costs	1,156		1,156	
Golf tournament	18,487			18,487
Skeet shoot	35,718			35,718
Total Functional Expenses	\$ 669,494	\$ 445,938	\$ 131,146	\$ 92,412

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

BACKFIELD IN MOTION, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Nature of the Organization

Backfield In Motion, Inc. (the “Organization”) is a not-for-profit organization incorporated in 2000 primarily to provide year-round academic tutoring at Nashville area community centers and to sponsor youth athletic leagues. We provide services at no cost to children and their families. Our academic programs focus on reading, literacy and mathematics.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

There were no restricted net assets as of December 31, 2018 and 2017.

Cash and Cash Equivalents

We consider all cash funds, cash bank accounts, and highly liquid debt instruments, with an original maturity of three months or less when purchased, to be cash and cash equivalents. At December 31, 2018 and 2017, we had no cash equivalents.

BACKFIELD IN MOTION, INC.**Notes to Financial Statements****December 31, 2018 and 2017****Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. There are no restricted funds at December 31, 2018 and 2017.

Contributions Receivable

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. We consider contributions receivable to be fully collectible at year-end. Accordingly, no allowance for uncollectible promises to give has been recorded as the years ended December 31, 2018 and 2017.

Building, Equipment and Vehicles

Building, Equipment, and Vehicles are recorded at cost, or if donated, at the estimated fair market value at the date of donation. All depreciation is computed using the straight-line method based on the estimated useful life of the asset as follows:

Buildings	40 years
Equipment and vehicles	5 years

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. We have no impairment loss at December 31, 2018 and 2017. Expenditures for repairs and maintenance are charged to operations when incurred. Depreciation expense was \$22,940 and \$22,940 for the years ended December 31, 2018 and 2017.

BACKFIELD IN MOTION, INC.

Notes to Financial Statements

December 31, 2018 and 2017

Advertising Costs

We expense costs related to advertising as incurred. We incurred advertising costs amounting to \$10,689 and \$4,430 for the years ended December 31, 2018 and 2017.

Income Taxes

Backfield in Motion is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, we have no provision for income taxes accrued in the financial statements.

We follow *FASB No. 109* ("FIN 48"). The interpretation addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recognized from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, including resolution of any related appeals or litigation process, based on technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. There was no effect on the financial positions or cumulative adjustment to beginning net assets as a result of the implementation. We have evaluated tax positions taken and believe that the total amount of unrecognized tax benefits is not material to the financial statements as a whole. Therefore, no tax liability has been recorded.

The Organization has not recognized any tax related interest and penalties in the accompanying financial statements. Federal tax years that remain open for examination include the years ended December 31, 2015 through December 31, 2018.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended December 31, 2018 and 2017, respectively.

BACKFIELD IN MOTION, INC.
Notes to Financial Statements
December 31, 2018 and 2017

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

We maintain cash balances in several financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2018 \$166,446 was uninsured and \$225,083 was uninsured at December 31, 2017.

Grant Funds

We are the recipient of multiple grants. Grants are distributed in strict accordance with the grant provider. Grant providers often audit the use of grants which they have provided.

Subsequent Events

We have evaluated subsequent events through March 4, 2019, which is the date the financial statements were available to be issued.

HOPKINS-PAGE

CERTIFIED PUBLIC ACCOUNTANTS

8118A SAWYER BROWN ROAD * NASHVILLE, TENNESSEE 37221 * (615) 673-1120 * (615) 673-0989 (F)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Backfield In Motion, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Backfield In Motion, Inc., which comprise the statement of position as of December 31, 2018, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 4, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Backfield In Motion, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Backfield In Motion, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Backfield In Motion, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Backfield In Motion, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hopkins-Page

A handwritten signature in black ink that reads "Hopkins-Page". The signature is written in a cursive, flowing style.

Nashville, Tennessee
March 4, 2019

