

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

Independent Auditors' Report
And
Notes to Financial Statements
December 31, 2015 and 2014

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

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TERRY PAGE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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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 statement of financial position as of December 31, 2015 and 2014, 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 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.

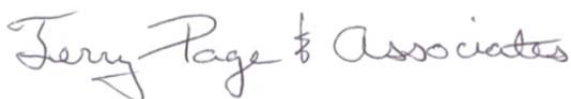
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Backfield In Motion, Inc. as of December 31, 2015 and 2014, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 8 and 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Terry Page & Associates".

Terry Page & Associates
Nashville, Tennessee
March 18, 2016

Backfield in Motion, Inc.

Statement of Position

December 31

2015

2014

ASSETS**Current assets:**

Cash in banks and savings (See Note)	\$ 353,807	\$ 217,362
Prepaid insurance	4,513	-
Total current assets	<u>358,320</u>	<u>217,362</u>

Property and equipment:

Land	29,800	29,800
Office building	136,470	136,470
Office equipment and systems	49,714	49,714
Vehicles	100,339	98,839
	<u>316,323</u>	<u>314,823</u>
Less: Accumulated depreciation	(156,739)	(140,456)
Total property and equipment	<u>159,584</u>	<u>174,367</u>

TOTAL ASSETS

\$ 517,904	\$ 391,729
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LIABILITES AND NET ASSETS**Current liabilities:**

Accounts payable	\$ 6,675	\$ -
Accrued payroll liabilities	11,003	9,775
Total current liabilities	<u>17,679</u>	<u>9,775</u>

Long-term liabilities:

Office building note payable	<u>-</u>	<u>-</u>
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Unrestricted net assets

<u>500,225</u>	<u>381,955</u>
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**TOTAL LIABILITES
AND NET ASSETS**

<u>\$ 517,904</u>	<u>\$ 391,730</u>
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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>2015</u>	2014
UNRESTRICTED NET ASSETS SUPPORT		
Grants/Contributions	\$ 390,557	\$ 316,113
Program contributions	121,452	70,747
Fundraising	<u>162,177</u>	<u>172,965</u>
Total support from operations	<u>674,186</u>	<u>559,825</u>
Investment and other income		
Dividends and interest	1,106	1,791
Other income	<u>678</u>	<u>5,731</u>
Total other income	<u>1,784</u>	<u>7,522</u>
TOTAL SUPPORT AND REVENUE FROM OPERATIONS	675,970	567,347
EXPENSES		
Program Services		
1st & 10 program	52,952	45,176
4th & 1 program	11,575	14,501
Extra point academy program	-	1,637
Education program	1,572	1,835
Program Administration	<u>307,957</u>	<u>319,049</u>
Total Program Service Expenses	<u>374,056</u>	<u>382,198</u>
Supporting Services		
Management and general	75,746	64,780
Fundraising	<u>91,116</u>	<u>98,739</u>
Total supporting services	<u>166,861</u>	<u>163,519</u>
Total expenses	<u>540,917</u>	<u>545,717</u>
	135,053	21,630
Other expenses		
Depreciation	16,283	15,630
Special sponsorship	<u>500</u>	<u>22,000</u>
Total other expenses	<u>16,783</u>	<u>37,630</u>
Change in Net Assets	<u>\$ 118,270</u>	<u>\$ (16,000)</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>2015</u>	<u>2014</u>
<u>Operating activities:</u>		
Net revenue from all programs	\$ 118,270	\$ (16,000)
Adjustments to reconcile net revenue to cash provided by operations		
Depreciation	16,283	15,630
(Increase) decrease in prepaid expenses	(4,513)	
Increase (decrease) in accounts payable	6,675	
Increase (decrease) in accrued payroll liabilities	1,230	(9,775)
Net cash provided by operating activities	<u>137,945</u>	<u>(10,145)</u>
<u>Investing activities:</u>		
Purchase of vehicles	(1,500)	(12,900)
Disposition of vehicles	-	1,573
Net cash provided by investing activities	<u>(1,500)</u>	<u>(11,327)</u>
<u>Financing activities:</u>		
Reduction in loan payable	-	(10,000)
Net cash provided by financing activities	<u>-</u>	<u>(10,000)</u>
Net increase in cash for the year	136,445	(31,472)
Cash - beginning of year	<u>217,362</u>	<u>248,834</u>
Cash - end of year	<u>\$ 353,807</u>	<u>\$ 217,362</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, 2015

<u>Operating Expenses:</u>	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fund Raising</u>
Grants (sponsorship)	\$ 500	\$ 500	\$ -	\$ -
1st & 10 program	52,952	52,952		
4th and 1 program	11,575	11,575		
Extra point academy program				
Education program	1,572	1,572		
Insurance	66,037	59,433	6,604	
Marketing and development	5,754	1,699		4,055
Compensation of employees	183,883	128,718	40,454	14,711
Other compensation	91,253	91,253		
Payroll taxes	20,038	16,231	2,805	1,002
Depreciation	16,283	13,026	3,257	
Accounting	7,050		7,050	
Legal	11,867		11,867	
License and permits	260		260	
Office expenses	7,879	5,515	1,733	630
Occupancy	7,296	5,107	1,605	584
Travel	3,367		3,367	
Golf tournament	20,699			20,699
Skee shoot	49,435			49,435
Total Functional Expenses	\$ 557,700	\$ 387,582	\$ 79,002	\$ 91,116

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, 2014

<u>Operating Expenses:</u>	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fund Raising</u>
Grants (sponsorship)	\$ 22,000	\$ 500	\$ -	\$ -
1st & 10 program	45,176	45,176		
4th and 1 program	14,501	14,501		
Extra point academy program	1,637	1,637		
Education program	1,835	1,835		
Insurance	59,691	53,720	5,971	
Marketing and development	4,383	4,383		
Compensation of employees	185,389	129,772	40,786	14,831
Other compensation	103,081	103,081		
Payroll taxes	22,269	18,038	3,118	1,113
Depreciation	15,630	12,504	3,126	
Accounting	6,000		6,000	
Legal	5,207		5,207	
License and permits	820		820	
Office expenses	5,328	3,730	1,172	426
Occupancy	7,534	5,274	1,658	603
Travel	1,054	1,054		
Interest	49		49	
Golf tournament	24,092			24,092
Skee shoot	57,673			57,673
Total Functional Expenses	\$ 583,349	\$ 395,205	\$ 67,906	\$ 98,739

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

BACKFIELD IN MOTION, INC.

Notes to Financial Statements

For the Years Ended December 31, 2015 and 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**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. Services are available at no cost to children and their families. The Organization’s 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 and revenue, 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 Restrictions.

Temporarily restricted net assets – net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. Restrictions that are fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as unrestricted. When a restriction expires in a period after the contributions are received, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – net assets subject to donor-imposed stipulations 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 earned and any related investments for general or specific purposes.

There were no restricted net assets as of December 31, 2015 and 2014.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers 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, 2015 and 2014, the Organization had no cash equivalents.

BACKFIELD IN MOTION, INC.

Notes to Financial Statements

For the Years Ended December 31, 2015 and 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)**Contributions**

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increased in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. There are no restricted funds at December 31, 2015 and 2014.

Contributions Receivable

Contributions receivable are recorded at their estimated value and reflect discounts for payment terms greater than one year, if applicable. Contributions receivable are considered to be conditional or unconditional promises to give. A conditional contribution is on which depends on the occurrence of some specified uncertain future event to become binding on the donor. Conditional contributions are not recorded as revenue until the condition is met, at which time they become unconditional. Unconditional contributions are recorded as revenue at the time verifiable evidence of the promise to give is received. The Organization considers 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, 2015 and 2014.

Building, Equipment and Vehicles

Building, Equipment, and Vehicles are recorded at cost to the Organization, 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

Expenditures for repairs and maintenance are charged to operations when incurred. Depreciation expense was \$16,283 and 15,630 for the years ended December 31, 2015 and 2014.

Advertising Costs

Costs related to advertising are expensed as incurred. The Organization incurred advertising costs amounting to \$5,754 and \$4,383 for the years ended December 31, 2015 and 2014.

BACKFIELD IN MOTION, INC.

Notes to Financial Statements

For the Years Ended December 31, 2015 and 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)**Income Taxes**

The Organization is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for income taxes has been accrued in the financial statements.

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty In Income Taxes – an interpretation of 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. Management has evaluated its tax positions taken and believes 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, 2012 through December 31, 2014.

Use of 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.

Contributed Services

During the years ended December 31, 2015 and 2014, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in performing its functions.

BACKFIELD IN MOTION, INC.

Notes to Financial Statements

For the Years Ended December 31, 2015 and 2014

NOTE B – CONCENTRATION AND CREDIT RISK

The Organization maintains cash balances in several financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. All cash balances were insured by the FDIC as of December 31, 2014 and \$1,686 was uninsured at December 31, 2015.

NOTE C – OFFICE BUILDING NOTE PAYABLE

A note payable to U.S. Bank was paid off by the Organization in 2014 ahead of the notes maturity date, thereby relieving the organization of future interest payments.

NOTE D – GRANT FUNDS

The Organization is 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.

NOTE E – LEGAL MATTERS

In 2014, Backfield in Motion, Inc. was named a defendant in two wrongful death cases. During 2015, all parties to the litigation comprised and settled. The settlement requires confidentiality as to any details regarding the settlement. The Organization's practice is to expense legal fees as services are rendered in connection with legal matters, and to accrue liabilities when payment is probable and an amount can be reasonably estimated. At December 31, 2015 and 2014, the Organization had no outstanding legal fees due and no liabilities were accrued.

NOTE F – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 18, 2016, which is the date the financial statements were available to be issued.

On February 6, 2015, the Organization was notified by the Internal Revenue Service its private foundation status was terminated. Therefore, the Organization is classified as a public charity described in section 170(b)(1)(A)(vi) of the Internal Revenue Code. The Organization's exempt status was not under consideration, therefore it remains to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

No other subsequent events were noted.

BACKFIELD IN MOTION, INC

For the Years Ended December 31, 2015 and 2014

**STATEMENT OF FINDINGS, QUESTIONED COSTS,
AND RECOMMENDATIONS**

Our audit disclosed no findings that are required to be reported herein under the generally accepted auditing standards.

BACKFIELD IN MOTION, INC

For the Years Ended December 31, 2015 and 2014

CORRECTIVE ACTION PLAN

N/A