

BACKFIELD IN MOTION, INC.
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2006 and 2005



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BACKFIELD IN MOTION, INC.
Financial Statements
December 31, 2006 and 2005

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December 31, 2006 and 2005

INDEPENDENT AUDITOR'S REPORT

To the Management
of Backfield in Motion, Inc.
Nashville, Tennessee

We have audited the accompanying statement of financial position of Backfield in Motion, Inc. as of December 31, 2006 and 2005, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Thomason Financial Resources

February 13, 2007

obtain reasonable assurance about whether the

BACKFIELD IN MOTION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Current Assets		
Cash	\$ 1,081	\$ 19,950
Contributions receivable	11,776	-
Prepaid insurance	7,673	10,074
Total current assets	<u>20,509</u>	<u>30,024</u>
Property and Equipment		
Land	29,800	29,800
Building	136,470	136,470
Office equipment and computers	49,714	49,714
Vehicles	39,729	39,729
	<u>255,713</u>	<u>255,713</u>
Less: accumulated depreciation	<u>(51,553)</u>	<u>(29,508)</u>
Total property and equipment	<u>204,160</u>	<u>226,205</u>
Total assets	<u><u>\$ 224,669</u></u>	<u><u>\$ 266,229</u></u>

STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 17,715	\$ 3,444
Current portion of notes payable	21,081	19,000
Current portion of capital lease obligation	2,514	2,514
Total Current Liabilities	<u>41,290</u>	<u>24,958</u>
Long Term Debt		
Notes payable	110,997	134,220
Capital lease obligation	2,327	6,029
Total long term debt	<u>113,324</u>	<u>139,249</u>
Total liabilities	154,614	164,207
Net Assets		
Unrestricted	70,055	92,022
Total liabilities and net assets	<u><u>\$ 224,669</u></u>	<u><u>\$ 266,229</u></u>

The accompanying notes are an integral part of these financial statements

**BACKFIELD IN MOTION, INC.
STATEMENTS OF ACTIVITIES**

	Year Ended December 31,	
	2008	2005
	<u>Unrestricted</u>	<u>Unrestricted</u>
Public Support and Revenue		
Public Support:		
Contributions	\$ 888,401	\$ 1,042,542
Grants	20,000	20,000
Total public support	<u>908,401</u>	<u>1,062,542</u>
Revenue:		
Special events, net of direct costs of \$72,182	36,588	29,284
Other income	-	14
Total revenue	<u>36,588</u>	<u>29,308</u>
Total public support and revenue	<u>944,989</u>	<u>1,091,850</u>
Expenses		
Program expenses		
Education	238,319	236,072
Athletics	343,191	426,863
Other programs	13,135	23,282
4th and 1	12,218	809
Total program expenses	<u>606,863</u>	<u>687,036</u>
Marketing and development	89,455	126,127
Administrative	270,638	295,298
Loss on disposal of assets	-	-
Total expenses	<u>966,956</u>	<u>1,108,459</u>
Change in net assets	(21,967)	(16,609)
Net assets at beginning of year	92,022	108,631
Net assets at end of year	<u>\$ 70,055</u>	<u>\$ 92,022</u>

The accompanying notes are an integral part of these financial statements

BACKFIELD IN MOTION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash Flows From Operating Activities	(\$21,967)	(\$16,609)
Change in net assets		
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	22,045	19,053
Loss on disposal of equipment	-	-
Changes in operating assets and liabilities:		
Contributions receivable	(11,775)	
Prepays	2,401	5,670
Accounts payable	14,271	(4,092)
Net cash provided by operating activities	<u>4,975</u>	<u>4,022</u>
Cash flows From Investing Activities		
Purchases of property and equipment	-	(53,772)
Proceeds from sale of assets	-	-
Net cash used in investing activities	<u>-</u>	<u>(53,772)</u>
Cash flows From Financing Activities		
Proceeds from issuance of notes payable	-	38,729
Payments on notes payable	(21,162)	(9,988)
Proceeds from issuance of capital lease obligations	-	10,057
Payments on capital lease obligations	(2,702)	(2,514)
Net cash (used in) provided by financing activities	<u>(23,864)</u>	<u>37,284</u>
Net decrease in cash and cash equivalents	(18,889)	(12,466)
Cash at beginning of year	19,950	32,416
Cash at end of year	<u>\$1,061</u>	<u>\$19,950</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$11,270</u>	<u>\$7,178</u>

The accompanying notes are an integral part of these financial statements

BACKFIELD IN MOTION, INC.
Notes to Financial Statements
December 31, 2006 and 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Backfield in Motion, Inc. (the "Organization") is a not-for-profit organization incorporated in 2000 to primarily provide year-round academic tutoring at Nashville community centers and sponsor youth athletic leagues. Services are available at no cost to children and 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 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:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments, with an original maturity when purchased of three months or less, to be cash and cash equivalents. At December 31, 2006 and at December 31, 2005, the Organization had no cash equivalents.

received, temporarily restricted net assets

BACKFIELD IN MOTION, INC.
Notes to Financial Statements
December 31, 2006 and 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 increases 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.

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 one 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. All contributions receivable are due within one year of December 31, 2006. There were no conditional promises to give as of December 31, 2006 or 2005.

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.

BACKFIELD IN MOTION, INC.
Notes to Financial Statements
December 31, 2006 and 2005

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.

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 made in the financial statements.

NOTE 2 - NOTES PAYABLE

	<u>2006</u>	<u>2005</u>
Note payable with SunTrust for the purchase of land and a building. The note requires monthly payments of principal and interest in the amount of \$1,096. The note bears interest at 5.75% and matures May 2008, at which time all outstanding interest and principal are due.	\$108,258	\$117,356
Note payable to Ford Credit bearing interest of 9.74%. The note requires monthly payments of principal and interest in the amount of \$638. The note matures August 2008.	11,900	17,932
Note payable to Ford Credit bearing interest of 9.74%. The note requires monthly payments of principal and interest in the amount of \$638. The note matures August 2008.	<u>11,900</u> 132,058	<u>17,932</u> 153,220
Less current maturities	<u>(21,061)</u>	<u>(19,000)</u>
	<u>\$110,997</u>	<u>\$134,220</u>

Maturities of debt are as follows:

2007	21,061
2008	<u>110,997</u>
	<u>\$132,058</u>

BACKFIELD IN MOTION, INC.
Notes to Financial Statements
December 31, 2006 and 2005

NOTE 3 – CAPITAL LEASE OBLIGATION

	<u>2006</u>	<u>2005</u>
The Organization leases a phone system with BSFS Equipment Leasing requiring monthly payments of \$209.54 through December 2008.	\$4,842	\$7,543
Less amount due within one year	<u>(2,514)</u>	<u>(2,514)</u>
	<u>\$2,327</u>	<u>\$5,029</u>

Future minimum lease payments under capital lease obligation are as follows:

2007	2,514
2008	<u>2,327</u>
	<u>\$4,842</u>

NOTE 4 – CONCENTRATION OF CREDIT RISK

Financial instrument that potentially subjects the Organization to concentrations of credit risk consists of contributions from the Founder and President of the Organization. These contributions represented 91% and 86% of total revenue for the years ended December 31, 2006 and 2005, respectively. A significant reduction in the level of this support, if this were to occur, could have an adverse impact on the Organization's programs and activities.

NOTE 5 – RELATED PARTY

The Organization received contributions of \$857,000 and \$935,000 from the President of the Organization during 2006 and 2005, respectively. These contributions were included in the Statement of Activities for the year ended December 31, 2006 and 2005.

Backfield in Motion, Inc.
Balance Sheet Summary
 As of December 31, 2006

	Total	
	As of Dec 31, 2006	As of Dec 31, 2005 (PY)
ASSETS		
Current Assets		
Bank Accounts	1,081.22	19,950.00
Accounts Receivable	0.00	0.00
Other Current Assets	10,074.00	10,074.00
Total Current Assets	\$11,135.22	\$30,024.00
Fixed Assets	226,205.00	226,205.00
TOTAL ASSETS	\$237,340.22	\$256,229.00
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	0.00	0.00
Other Current Liabilities	0.00	0.00
Total Current Liabilities	\$0.00	\$0.00
Long Term Liabilities	161,664.90	160,763.00
Total Liabilities	\$161,664.90	\$160,763.00
Equity	85,675.32	95,466.00
TOTAL LIABILITIES AND EQUITY	\$237,340.22	\$256,229.00

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Accounts Payable

Backfield in Motion, Inc.
Profit & Loss
 January - December 2006

	Total	
	Jan - Dec 2006	Jan - Dec 2005 (PY)
Income		
CONTRIBUTIONS	938,918.12	1,091,835.61
Total Income	\$938,918.12	\$1,091,835.61
Expenses		
4TH AND 1 PROGRAM	12,217.92	794.46
ADMINISTRATIVE	74,528.85	162,100.39
EDUCATION PROGRAM	10,732.82	12,850.41
Extra Point Academy	10,699.50	
First & 10	69,053.02	105,821.01
Insurance	57,501.13	78,817.71
MARKETING/DEVELOPMENT		14,099.37
PAYROLL COST	648,971.31	646,380.54
Staff Costs	8,087.77	9,584.65
TRANSPORTATION	54,600.70	50,915.49
VIP PROGRAM	2,435.98	
Total Expenses	\$946,708.80	\$1,071,343.93
Net Operating Income	\$ -9,790.68	\$20,491.68
Other Expenses		
OTHER BIM PROGRAMS		10,362.00
Other Expenses		
Total Other Expenses	\$	\$10,362.00
Net Other Income	\$0.00	\$ -10,362.00
Net Income	\$ -9,790.68	\$10,129.68

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Backfield in Motion, Inc.		
Income by Donor Summary		
January - December 2006		
	Income	
	Jan - Dec 2006	Jan - Dec 2005 (PY)
511 Group	2,500.00	2,500.00
A J Kaziml	500.00	
Adventure Science Center	1,600.00	
Aflac	15,000.00	
AJ Kaziml	500.00	
Anne Davis	1,775.00	
Arnett & Associates		800.00
Avondale Partners	500.00	1,800.00
B B & T	1,600.00	
Backfield in Motion receivables		
Bell South	5,000.00	5,000.00
Belmont University	250.00	
Beth Scott Clayton	40.00	
Bill Wilson		1,000.00
BMW of Nashville	500.00	700.00
Boundry		1,000.00
Buffalo Billards		800.00
CA One Services		5,000.00
Cal Turner Foundation		25,000.00
Cash	1,630.00	3,825.00
Celeste Stein		85.00
Charles Bone	500.00	
Charles Kaelin	3,700.00	700.00
Charlotte Ishister	100.00	
Chesapeake Business Centre	1,600.00	1,400.00
Christopher Spyridon	100.00	
Clarence Johnson		3,000.00
Co-Payne Acoustics	500.00	500.00
Comdata		5,000.00
Contractors & Industrial Supply Co	1,300.00	
Credit Card Receipts	3,845.00	6,640.00
CYNTHIA L CARLON	40.00	
David Brooks		400.00
Diane Stark		100.00
DUDLEY SMITH	100.00	
DWC Construction	2,500.00	5,000.00
Dwight Beard		400.00
First Tennessee	12,500.00	12,500.00
Franklin American Mortgage	5,000.00	
Frist Center	3,000.00	
George Anderson	500.00	
GEORGE JOHNSON	75.00	
GERARD MAYDEN	666.67	
Gold Rush	2,100.00	4,380.00
Gregory White		1,200.00

Gresham, Smith and Partners	2,100.00	
HANK DEES	1,600.00	
Harold L. Siebert	5,000.00	
Harold Silberman	25.00	
Hastings Architecture Associates, LLC		200.00
Horizon Wine & Spirits		1,600.00
International Security	1,600.00	
INVESTMENT SCORECARD	1,600.00	
Isenhour Door Products		500.00
J & J INTERIORS	1,600.00	
James Atkins		125.00
JAMES P AYLWARD	666.67	
JANET STERCHI	100.00	
Jim Loftin Jr.		100.00
Joe Anderson		163.58
Joe Davis	857,000.00	755,000.00
JOHN BOUCHARD & SONS	250.00	
John Bouchard & Sons		250.00
Kevin Lorange		500.00
Kim Graham	1,600.00	2,100.00
Lesli Bills		150.00
LISA MAKI	100.00	
Mark T Hicks		200.00
Massmark Companies	1,600.00	900.00
MATT WOODARD	600.00	
Metal Plate		300.00
Michael Slukich		700.00
Miller & Martin	2,000.00	
Money Order		200.00
Morgan Keegan & Company	2,100.00	
Muslo City Bowl	1,000.00	
Nancy Allen	500.00	
Nashville Electric Service		1,000.00
PINNACLE	1,000.00	
Priest Point Wine & Spirits		500.00
Proctor and Graves Company	1,600.00	
R. Daniel Beam		100.00
RICHARD LIND JR	50.00	
Rivels.com	1,800.00	2,100.00
Robert Scannell		400.00
South Street		1,000.00
Stokes Bart Law		
Sun Trust Bank	1,000.00	0.00
Swett's	500.00	900.00
SY. MED DEVELOPMENT, INC.	666.66	
Synaxis	2,600.00	
Tennessee Titans Foundation	20,000.00	20,000.00
TERIKA DEAN	420.00	
The Comfort Group	1,600.00	
The Danner Company	2,600.00	1,800.00
The Fich Foundation		400.00
The Rich Foundation	600.00	

TOA		1,600.00
TODD LIEBERGEN	45.00	
Tuner/Universal Construction	1,800.00	
United Way	87.32	500.00
VADEN LACKEY	25.00	
Vanderbilt	1,800.00	
Volunteer Electric INC	2,500.00	5,000.00
Waterscapes Backyard Resorts		1,600.00
William E Kantz Jr	500.00	
TOTAL	\$ 990,767.32	\$ 888,198.58
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TODD LIEBERGEN