

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

December 31, 2019 and 2018

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

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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 statements of financial position as of December 31, 2019 and 2018, 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

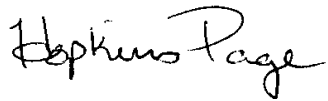
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2019 and 2018, 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 that reads "Hopkins Page". The signature is written in a cursive style with a large, looped "H" and a long, sweeping "P".

Nashville, Tennessee
May 14, 2020

Backfield in Motion, Inc.

Statement of Position

December 31	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash in banks and savings (See Note)	\$ 634,628	\$ 721,498
Accounts receivable	28,625	54,422
Prepaid insurance	<u>7,720</u>	<u>6,180</u>
Total current assets	<u>670,973</u>	<u>782,100</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>115,207</u>	<u>97,207</u>
	331,191	313,191
Less: Accumulated depreciation	<u>(196,344)</u>	<u>(186,375)</u>
Total property and equipment, net	<u>134,847</u>	<u>126,816</u>
 TOTAL ASSETS	 \$ <u><u>805,820</u></u>	 \$ <u><u>908,916</u></u>
LIABILITES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 1,628	\$ 8,140
Accrued payroll liabilities	<u>17,497</u>	<u>21,690</u>
Total current liabilities	<u>19,125</u>	<u>29,830</u>
 Net assets without donor restrictions	 <u>786,695</u>	 <u>879,086</u>
 TOTAL LIABILITES AND NET ASSETS	 \$ <u><u>805,820</u></u>	 \$ <u><u>908,916</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>2019</u>	<u>2018</u>
UNRESTRICTED NET ASSETS SUPPORT		
Grants/Contributions	\$ 523,839	\$ 522,329
Program contributions	232,630	110,031
Fundraising	<u>177,233</u>	<u>240,635</u>
Total support from operations	<u>933,702</u>	<u>872,995</u>
Investment and other income		
Dividends and interest	7,811	5,887
Other income	<u>-</u>	<u>-</u>
Total other income	<u>7,811</u>	<u>5,887</u>
TOTAL SUPPORT AND REVENUE FROM OPERATIONS	941,513	878,882
EXPENSES		
Program Services		
Depreciation	7,975	22,940
1st & 10 program	79,758	63,307
4th & 1 program	22,860	5,530
Education program	5,417	6,726
Program administration	<u>583,260</u>	<u>473,641</u>
Total Program Service Expenses	<u>699,270</u>	<u>572,144</u>
Supporting Services		
Management and general	212,009	162,637
Fundraising	<u>122,625</u>	<u>108,367</u>
Total supporting services	<u>334,634</u>	<u>271,004</u>
Total expenses	<u>1,033,904</u>	<u>843,148</u>
Change in Net Assets	(92,391)	35,734
NET ASSETS, beginning of year	<u>879,086</u>	<u>843,352</u>
NET ASSETS, end of year	<u>\$ 786,695</u>	<u>\$ 879,086</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,

20192018Operating activities:

Changes in net assets	\$ (92,391)	\$ 35,734
Adjustments to reconcile changes in net assets to cash provided by operations		
Depreciation	7,975	22,940
(Increase) decrease in accounts receivable	25,797	38,337
(Increase) decrease in prepaid expenses	(1,540)	990
Increase (decrease) in accounts payable	(6,512)	8,140
Increase (decrease) in accrued payroll liabilities	(4,193)	6,061
Net cash provided by operating activities	<u>(70,864)</u>	<u>112,202</u>

Investing activities:

Purchase of vehicles	(18,000)	-
Proceeds from sale of vehicle	-	-
Net cash provided by investing activities	<u>(18,000)</u>	<u>-</u>

Financing activities:

Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase in cash for the year	(88,864)	112,202
Cash - beginning of year	<u>721,498</u>	<u>609,296</u>
Cash - end of year	<u>\$ 632,634</u>	<u>\$ 721,498</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, 2019

<u>Operating Expenses:</u>	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fund Raising</u>
Grants (sponsorship)				
1st & 10 program	\$ 79,758	\$ 79,758		
4th and 1 program	22,860	22,860		
Extra point academy program	-			
Education program	5,417	5,417		
Insurance	75,783	60,626	\$ 15,157	
Bank & Credit Card Fees	2,774		2,774	
Communications	1,849		1,849	
Dues and Subscriptions	-			
Marketing and development	11,363			\$ 11,363
Compensation of employees	680,090	476,063	149,620	54,407
Payroll taxes	54,338	44,014	7,607	2,717
Depreciation	9,969	7,975	1,994	
Accounting	-			
Legal	-			
License and permits	278		278	
Office expenses	11,117	2,557	8,560	
Occupancy	18,357		18,357	
Management costs	5,813		5,813	
Golf tournament	16,852			16,852
Skeet shoot	37,286			37,286
Total Functional Expenses	\$ 1,033,904	\$ 699,270	\$ 212,009	\$ 122,625

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.
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

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.

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, 2019 and 2018, the Organization had no cash equivalents.

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 as the years ended December 31, 2019 and 2018.

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 \$9,969 and \$22,940 for the years ended December 31, 2019 and 2018.

BACKFIELD IN MOTION, INC.
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

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

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 restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor 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.

At December 31, 2019 and 2018, there were no net assets with donor restrictions.

Revenue Recognition

Grants and fees are recorded as earned monthly. This allows a matching with expenses for the corresponding months. Amounts 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.

Contributed Services

During the years ended December 31, 2019 and 2018, 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.

Advertising Costs

Costs related to advertising are expensed as incurred. The Organization incurred advertising costs amounting to \$11,363 and \$10,689 for the years ended December 31, 2019 and 2018.

BACKFIELD IN MOTION, INC.
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

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.

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, 2017 through December 31, 2019.

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.

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. As of December 31, 2019, \$123,746 was uninsured and \$116,446 was uninsured at December 31, 2018.

NOTE C – 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 D – LEGAL MATTERS

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, 2018 and 2019, the Organization had no outstanding legal fees due and no liabilities were accrued.

BACKFIELD IN MOTION, INC.
Notes to Financial Statements
For the Years Ended December 31, 2019 and 2018

NOTE E – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 14, 2020, which is the date the financial statements were available to be issued.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of April 2, 2020, Tennessee Governor Bill Lee ordered a “stay at home” order unless individuals are conducting essential activities, and indicated schools would remain closed through the remainder of the current school year. The Organization has seen a significant reduction in its tutoring sessions and thereby, a reduction in grant revenue associated with tutoring, and all employees must work remotely as they can. Future potential impacts may include continued disruptions or restrictions on the Organization’s employees’ ability to work and impairment of its ability to obtain contributions and volunteers. The future effects of these issues are unknown.

No other significant subsequent events have been identified by management.

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 financial position as of December 31, 2019 and 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 May 14, 2020.

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.

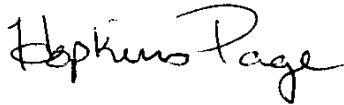
Compliance and Other Matters

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.

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Nashville, Tennessee
May 14, 2020