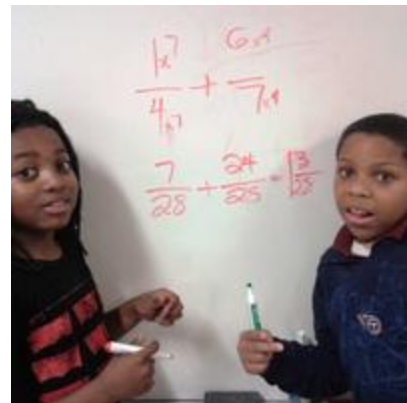


BACKFIELD IN MOTION, INC.
(a Tennessee Not-for-profit Organization)

December 31, 2012 and 2011

**INDEPENDENT AUDITORS' REPORT
AND
NOTES TO FINANCIAL STATEMENTS**



"Backfield in Motion is a 501(c) 3 nonprofit organization that combines academics and athletics to inspire inner city boys to reach their maximum potential in order to become significant contributors to society."



Wilson & Wilson, PC, CPA, CFE

Certified Public Accountants
Certified Fraud Examiners

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Backfield In Motion, Inc.
Financial Statements
December 31, 2012 and 2011

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**“Observe Carefully,
Deduce Shrewdly and
Confirm with evidence.”
Dr. Joseph Bell, Circa 1877**

**Dr. Harold O. Wilson, Ph.D., CPA, CFE
Of Counsel
James C. Wilson, Jr., MBA, CPA, CFE
Sole Owner and President**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2012 and 2011, 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.

Auditors' 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

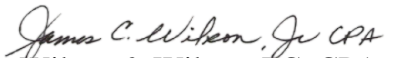
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2012 and 2011, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.


Wilson & Wilson, PC, CPA, CFE
Bellevue, Tennessee 37221-1411
April 19, 2013

Backfield in Motion, Inc.
Statement of Financial Position
December 31, 2012 and 2011

| ASSETS | <u>2,012</u> | <u>2,011</u> |
|-------------------------------------|--------------------------|--------------------------|
| Current Assets | | |
| Cash in Banks | \$ 225,255 | \$ 241,607 |
| Total Current Assets | 225,255 | 241,607 |
| Property and Equipment | | |
| Office Building | 136,470 | 136,470 |
| Office Equipment & Computers | 49,714 | 49,714 |
| Office Land | 29,800 | 29,800 |
| Vehicles | 93,203 | 88,895 |
| Accumulated Depreciation | (141,091) | (138,051) |
| Total Property and Equipment | 168,096 | 166,828 |
| TOTAL ASSETS | \$ <u>393,351</u> | \$ <u>408,435</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | | |
| Accounts Payable | \$ 5,569 | \$ 5,096 |
| Total Accounts Payable | 5,569 | 5,096 |
| Total Current Liabilities | 5,569 | 5,096 |
| Long-Term Liabilities | | |
| US Bank Note Payable | 70,000 | 125,000 |
| Total Long-Term Liabilities | 70,000 | 125,000 |
| Total Liabilities | 75,569 | 130,096 |
| Equity | | |
| Net Assets--Unrestricted | 317,782 | 408,435 |
| TOTAL LIABILITIES AND EQUITY | \$ <u>393,351</u> | \$ <u>538,531</u> |

See accountants' audit report and notes to financial statements.

Backfield in Motion, Inc.
Statement of Activities
For the year ended 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|-------------------------|--------------------------|
| Revenues: | | |
| Contributions | \$ 729,249 | \$ 766,543 |
| Total Income | 729,249 | 766,543 |
| Operating Expenses: | | |
| 1st & 10 Program | 42,095 | 18,432 |
| 4th and 1 Program | 26,144 | 30,804 |
| Administrative | 44,300 | 47,607 |
| Education Program | 16,260 | 10,575 |
| Extra Point Academy | | 11,111 |
| Insurance | 84,651 | 64,947 |
| Marketing & Development | 11,232 | 7,318 |
| Payroll Costs | 420,370 | 391,936 |
| Staff Costs | 1,160 | 1,157 |
| Transportation | 24,897 | 19,793 |
| Total Operating Expenses | 671,110 | 603,680 |
| Change in Net Assets | \$ 58,139 | \$ 162,863 |
| Other Income | | |
| Interest Income | _____ | 8 |
| Total Other Income | | 8 |
| Other Expenses | | |
| Depreciation | 13,644 | 15,154 |
| Other BIM Programs | 1,000 | _____ |
| Total Other Expenses | 14,644 | 15,154 |
| Net Other Income | (14,644) | (15,146) |
| Net Change in Net Unrestricted Assets | \$ <u>43,495</u> | \$ <u>147,717</u> |

See accountants' audit report and notes to financial statements.

Backfield in Motion, Inc.
Statement of Cash Flows
January - December 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|--------------------------|--------------------------|
| OPERATING ACTIVITIES | | |
| Net Income | \$ 43,495 | \$ 147,717 |
| Adjustments to reconcile Net Income to Net Cash provided by operations: | | |
| Accounts Payable | <u>473</u> | <u>5,096</u> |
| Net cash provided by operating activities | 43,968 | 152,813 |
| INVESTING ACTIVITIES | | |
| Depreciation | 3,040 | 15,154 |
| Vehicles purchased | <u>(4,308)</u> | <u>(12,750)</u> |
| Net cash provided by investing activities | (1,268) | 2,404 |
| FINANCING ACTIVITIES | | |
| US Bank Note Payable | (55,000) | (55,500) |
| Prior year reversal of Accrued Property Taxes | <u>(4,052)</u> | <u></u> |
| Net cash provided by financing activities | <u>(59,052)</u> | <u>(55,500)</u> |
| Net cash increase (decrease) for period | (16,352) | 99,717 |
| Cash at beginning of period | <u>241,607</u> | <u>141,890</u> |
| Cash at end of period | \$ <u><u>225,255</u></u> | \$ <u><u>241,607</u></u> |

See accountants' audit report and notes to financial statements.

Backfield In Motion, Inc.
Summary of Functional Expenses
For the year ended December 31, 2012

| Operating Expenses: | <u>Total</u> | <u>Program</u> | <u>Administrative</u> | <u>Fund Raising</u> |
|---------------------------------|---------------------|-----------------------|------------------------------|--------------------------------|
| 1st & 10 Program | \$42,095 | \$42,095 | | |
| 4th and 1 Program | \$26,144 | \$26,144 | | |
| Administrative | \$44,300 | | \$44,300 | |
| Education Program | \$16,260 | \$16,260 | | |
| Insurance | \$84,651 | \$61,795 | \$22,009 | \$847 |
| Marketing & Development | \$11,232 | | | \$11,232 |
| Payroll Costs | \$420,370 | \$262,370 | \$140,500 | \$17,500 |
| Staff Costs | \$1,160 | \$1,160 | | |
| Transportation | \$24,897 | \$24,897 | | |
| Total Operating Expenses | \$671,110 | \$434,721 | \$206,809 | \$29,579 |

Backfield In Motion, Inc.
Summary of Functional Expenses
For the year ended December 31, 2011

| Operating Expenses: | <u>Total</u> | <u>Program</u> | <u>Administrative</u> | <u>Fund Raising</u> |
|---------------------------------|---------------------|-----------------------|------------------------------|--------------------------------|
| 1st & 10 Program | \$18,432 | \$18,432 | | |
| 4th and 1 Program | \$30,804 | \$30,804 | | |
| Administrative | \$47,607 | | \$47,607 | |
| Education Program | \$10,575 | \$10,575 | | |
| Extra Point Academy | \$11,111 | \$11,111 | | |
| Insurance | \$64,947 | \$47,412 | \$16,736 | \$800 |
| Marketing & Development | \$7,318 | | | \$0 |
| Payroll Costs | \$391,936 | \$256,936 | \$117,500 | \$17,500 |
| Staff Costs | \$1,157 | \$1,157 | | |
| Transportation | \$19,793 | \$19,793 | | |
| Total Operating Expenses | \$603,680 | \$396,219 | \$181,843 | \$18,300 |

See accountants' audit report and notes to financial statements.

Backfield In Motion, Inc.
Notes to Financial Statements
DECEMBER 31, 2012 and 2011

NOTE 1 – 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.

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 of three months or less when purchased, to be cash and cash equivalents. At December 31, 2012 and at December 31, 2011, the Organization had no cash equivalents.

Backfield In Motion, Inc.
Notes to Financial Statements
DECEMBER 31, 2012 and 2011

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 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.

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. All contributions receivable are due within one year of December 31, 2012. There were no conditional promises to give as of December 31, 2012.

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, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 accrued in the financial statements.

NOTE 2 – NOTES PAYABLE

| | <u>2012</u> | <u>2011</u> |
|--|--------------------|--------------------|
| Note payable to U.S. Bank. Payment of the Note is interest only and principal paid at the discretion of Management | | |
| | \$125,000 | \$180,500 |
| Less principal payments | (55,000) | (55,500) |
| Balance of Note Payable to U.S. Bank | \$70,000 | \$125,000 |

NOTE 3 – CONCENTRATION OF CREDIT RISK

Financial instrument potentially subjecting the Organization to concentrations of credit risk consists of contributions funds deposited in FDIC insured banks. New regulations, regarding such funds, afford protection up to \$250,000. Credit risk is minimized.

NOTE 4 – SECTION 509(a)(2) CLASSIFICATION REQUEST

Backfield in Motion, Inc. has provided notification to the Internal Revenue Service of its election to terminate its status as a private foundation pursuant to IRC Section 507(b)(1)(B) and be classified as a public charity under IRS Section 509(a)(2). The tax year of Backfield in Motion, Inc. begins on January 1, and the 60-month period for compliance with IRC Section 509(a)(2) required under IRC Section 507(b)(1)(B)(i) will begin on January 1, 2010. Backfield in Motion will continue to file Form 990 PF as a private fund organization for the period 2010 through 2014 as required by the Internal Revenue Code.

Backfield In Motion, Inc.
Notes to Financial Statements
DECEMBER 31, 2012 and 2011

**NOTE 5 – GRANT FUNDS PROVIDED BY FEDERAL SOURCES
ADMINISTERED BY THE STATE OF TENNESSEE AND OTHERS**

The Organization is the recipient of multiple grants. Grants are disbursed in strict accordance with the grant provider. Grant providers often audit the use of grants which they have provided.

NOTE 6 – LEGAL MATTERS PENDING AND SUBSEQUENT EVENTS

Backfield In Motion, Inc. does not maintain legal counsel on retainer. Management and Trustees indicate no legal matters pending. There are no subsequent events to report at the date of this report.