

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

December 31, 2016 and 2015

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 |
| Statement of Findings, Questioned Costs, and Recommendations | 13 |
| Corrective Action Plan | 14 |
| Schedule of the Status of Prior Audit Findings, Questioned Costs and Recommendations | 15 |

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, 2016 and 2015, 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.

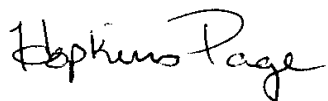
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016 and 2015, 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.

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 black ink, appearing to read "Hopkins Page". The signature is written in a cursive, flowing style.

Nashville, TN
April 6, 2017

Backfield in Motion, Inc.

Statement of Position

December 31

20162015**ASSETS****Current assets:**

| | | |
|--------------------------------------|----------------|----------------|
| Cash in banks and savings (See Note) | \$ 462,269 | \$ 353,807 |
| Accounts Recievable | 52,251 | - |
| Prepaid insurance | - | 4,513 |
| Total current assets | <u>514,520</u> | <u>358,320</u> |

Property and equipment:

| | | |
|--------------------------------|----------------|----------------|
| Land | 29,800 | 29,800 |
| Office building | 136,470 | 136,470 |
| Office equipment and systems | 49,714 | 49,714 |
| Vehicles | 98,707 | 100,339 |
| | <u>314,691</u> | <u>316,323</u> |
| Less: Accumulated depreciation | (141,095) | (156,739) |
| Total property and equipment | <u>173,596</u> | <u>159,584</u> |

TOTAL ASSETS

| | |
|------------|------------|
| \$ 688,116 | \$ 517,904 |
|------------|------------|

LIABILITES AND NET ASSETS**Current liabilities:**

| | | |
|-----------------------------|---------------|---------------|
| Accounts payable | \$ 12,000 | \$ 6,675 |
| Accrued payroll liabilities | 12,732 | 11,003 |
| Total current liabilities | <u>24,732</u> | <u>17,679</u> |

Unrestricted net assets

| | |
|----------------|----------------|
| <u>663,384</u> | <u>500,225</u> |
|----------------|----------------|

**TOTAL LIABILITES
AND NET ASSETS**

| | |
|-------------------|-------------------|
| <u>\$ 688,116</u> | <u>\$ 517,904</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>2016</u> | <u>2015</u> |
|--|--------------------------|--------------------------|
| UNRESTRICTED NET ASSETS SUPPORT | | |
| Grants/Contributions | \$ 496,488 | \$ 390,557 |
| Program contributions | 159,549 | 121,452 |
| Fundraising | <u>124,100</u> | <u>162,177</u> |
| Total support from operations | <u>780,137</u> | <u>674,186</u> |
| Investment and other income | | |
| Dividends and interest | 1,640 | 1,106 |
| Other income | <u>1,250</u> | <u>678</u> |
| Total other income | <u>2,890</u> | <u>1,784</u> |
| TOTAL SUPPORT AND REVENUE FROM OPERATIONS | 783,027 | 675,970 |
| EXPENSES | | |
| Program Services | | |
| Depreciation | 16,618 | 13,026 |
| 1st & 10 program | 41,921 | 52,952 |
| 4th & 1 program | 10,182 | 11,575 |
| Education program | 5,600 | 1,572 |
| Program Administration | <u>332,912</u> | <u>308,457</u> |
| Total Program Service Expenses | <u>407,233</u> | <u>387,582</u> |
| Supporting Services | | |
| Management and general | 116,573 | 79,002 |
| Fundraising | <u>96,062</u> | <u>91,116</u> |
| Total supporting services | <u>212,635</u> | <u>170,118</u> |
| Total expenses | <u>619,868</u> | <u>557,700</u> |
| Change in Net Assets | 163,159 | 118,270 |
| NET ASSETS, beginning of year | <u>500,225</u> | <u>381,955</u> |
| NET ASSETS, End of year | <u><u>\$ 663,384</u></u> | <u><u>\$ 500,225</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>2016</u> | <u>2015</u> |
|--|-------------------|-------------------|
| <u>Operating activities:</u> | | |
| Changes in net assets | \$ 163,159 | \$ 118,270 |
| Adjustments to reconcile changes in net assets to cash provided by operations | | |
| Depreciation | 20,773 | 16,283 |
| (Increase) decrease in Accounts Receivable | (52,251) | |
| (Increase) decrease in prepaid expenses | 4,513 | (4,513) |
| Increase (decrease) in accounts payable | 5,325 | 6,675 |
| Increase (decrease) in accrued payroll liabilities | 1,729 | 1,230 |
| Net cash provided by operating activities | <u>143,248</u> | <u>137,945</u> |
| <u>Investing activities:</u> | | |
| Purchase of vehicles | <u>(34,786)</u> | <u>(1,500)</u> |
| Net cash provided by investing activities | <u>(34,786)</u> | <u>(1,500)</u> |
| <u>Financing activities:</u> | | |
| Net cash provided by financing activities | <u>-</u> | <u>-</u> |
| Net increase in cash for the year | 108,462 | 136,445 |
| Cash - beginning of year | <u>353,807</u> | <u>217,362</u> |
| Cash - end of year | <u>\$ 462,269</u> | <u>\$ 353,807</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, 2016

| <u>Operating Expenses:</u> | <u>Total</u> | <u>Program</u> | <u>Administrative</u> | <u>Fund Raising</u> |
|----------------------------------|-------------------|-------------------|-----------------------|---------------------|
| Grants (sponsorship) | \$ 1,100 | \$ 1,100 | \$ - | \$ - |
| 1st & 10 program | 41,921 | 41,921 | | |
| 4th and 1 program | 10,182 | 10,182 | | |
| Extra point academy program | | | | |
| Education program | 5,600 | 5,600 | | |
| Insurance | 72,268 | 57,814 | 14,454 | |
| Marketing and development | 2,501 | | | 2,501 |
| Compensation of employees | 343,469 | 240,428 | 75,563 | 27,478 |
| Payroll taxes | 29,314 | 23,744 | 4,104 | 1,466 |
| Depreciation | 20,773 | 16,618 | 4,155 | |
| Accounting | 6,500 | | 6,500 | |
| Legal | | | | |
| License and permits | 240 | | 240 | |
| Office expenses | 10,349 | 1,277 | 9,072 | |
| Occupancy | 8,548 | 8,548 | | |
| Management costs | 2,486 | | 2,486 | |
| Golf tournament | 29,311 | | | 29,311 |
| Skee shoot | 35,307 | | | 35,307 |
| Total Functional Expenses | \$ 619,868 | \$ 407,234 | \$ 116,573 | \$ 96,062 |

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.

Notes to Financial Statements

For the Years Ended December 31, 2016 and 2015

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, 2016 and 2015.

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, 2016 and 2015, the Organization had no cash equivalents.

BACKFIELD IN MOTION, INC.

Notes to Financial Statements

For the Years Ended December 31, 2016 and 2015

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, 2016 and 2015.

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, 2016 and 2015.

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 \$20,773 and \$16,283 for the years ended December 31, 2016 and 2015.

Advertising Costs

Costs related to advertising are expensed as incurred. The Organization incurred advertising costs amounting to \$4,383 and \$2,501 for the years ended December 31, 2016 and 2015.

BACKFIELD IN MOTION, INC.

Notes to Financial Statements

For the Years Ended December 31, 2016 and 2015

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, 2013 through December 31, 2016.

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, 2016 and 2015, 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, 2016 and 2015

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, 2016 \$101,016 was uninsured and \$1,686 was uninsured at December 31, 2015.

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

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, 2016 and 2015, the Organization had no outstanding legal fees due and no liabilities were accrued.

NOTE E – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 6, 2017, which is the date the financial statements were available to be issued.

No significant subsequent events have been identified by management.

BACKFIELD IN MOTION, INC

For the Years Ended December 31, 2016 and 2015

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, 2016 and 2015

CORRECTIVE ACTION PLAN

N/A

BACKFIELD IN MOTION, INC

For the Years Ended December 31, 2016 and 2015

SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS, QUESTIONED
COSTS,
AND RECOMMENDATIONS

1. Findings – Financial Statement Audit for the year ended December 31, 2015

The audit for the year ended December 31, 2015 issued by Terry Page & Associates disclosed no findings that were required to be reported herein under the HUD Consolidated Audit Guide.