

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

December 31, 2022 and 2021

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

Contents

Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6-7
Notes to Financial Statements	8-12
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	13-14



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Backfield In Motion, Inc.  
Nashville, TN 37206

### Opinion

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, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Backfield In Motion, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Backfield In Motion, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Backfield In Motion, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Backfield In Motion, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in cursive script, appearing to read "Hopkins".

Nashville, TN  
May 10, 2023

**Backfield in Motion, Inc.**

## Statement of Financial Position

As of December 31,	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current assets:		
Cash in banks and savings (Note A)	\$ 1,202,865	\$ 1,090,123
Accounts receivable	48,896	83,880
Prepaid insurance	-	-
Total current assets	<u>1,251,761</u>	<u>1,174,003</u>
Property and equipment:		
Land	29,800	29,800
Office building	136,470	136,470
Office equipment and systems	54,494	54,494
Vehicles	239,330	136,080
	<u>460,094</u>	<u>356,844</u>
Less: Accumulated depreciation	<u>(209,633)</u>	<u>(184,571)</u>
Total property and equipment, net	<u>250,461</u>	<u>172,273</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,502,222</u></u>	<u><u>\$ 1,346,276</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ -	\$ 10,169
Accrued payroll liabilities	78,758	19,018
Total current liabilities	<u>78,758</u>	<u>29,187</u>
Long term liabilities:		
SBA EIDL Loan	147,342	150,000
Total long term liabilities	<u>147,342</u>	<u>150,000</u>
Net Assets		
Without donor restrictions	1,276,122	892,089
With donor restrictions	-	275,000
Total net assets	<u>1,276,122</u>	<u>1,167,089</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,502,222</u></u>	<u><u>\$ 1,346,276</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,

	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	2021
<b>UNRESTRICTED NET ASSETS SUPPORT</b>				
Grants/Contributions	\$ 1,101,172		\$ 1,101,172	\$ 765,457
Program contributions	868,337	-	868,337	872,695
Fundraising	34,580	-	34,580	38,387
Total support from operations	2,004,089	-	2,004,089	1,676,539
Investment and other income				
Dividends and interest	2,835	-	2,835	1,256
Other income	14,400		14,400	2,400
Release from restriction	275,000	(275,000)	-	-
Total other income	292,235	(275,000)	17,235	3,656
<b>TOTAL SUPPORT AND REVENUE FROM OPERATIONS</b>	<b>2,296,324</b>	<b>(275,000)</b>	<b>2,021,324</b>	<b>1,680,195</b>
<b>EXPENSES</b>				
Program Services				
Depreciation	25,506	-	25,506	16,498
1st & 10 program	301,845	-	301,845	179,074
4th & 1 program	74,243	-	74,243	44,891
Education program	13,934	-	13,934	18,346
Program administration	991,703	-	991,703	788,153
Total Program Service Expenses	1,407,231	-	1,407,231	1,046,962
Supporting Services				
Management and general	372,390	-	372,390	316,916
Fundraising	132,670	-	132,670	128,394
Total supporting services	505,060	-	505,060	445,310
Total expenses	1,912,291	-	1,912,291	1,492,272
Change in Net Assets	384,033	(275,000)	109,033	187,923
NET ASSETS, beginning of year	892,089	275,000	1,167,089	979,166
NET ASSETS, end of year	\$ 1,276,122	\$ -	\$ 1,276,122	\$ 1,167,089

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>2022</u>	<u>2021</u>
<u>Operating activities:</u>		
Changes in net assets	\$ 109,033	\$ 187,923
Adjustments to reconcile changes in net assets to cash provided by operations		
Loss from sale of fixed assets	(6,820)	-
Depreciation	31,882	20,623
(Increase) decrease in accounts receivable	34,984	(49,464)
(Increase) decrease in prepaid expenses	-	-
Increase (decrease) in accounts payable	(10,169)	4,997
Increase (decrease) in accrued payroll liabilities	59,740	3,460
Net cash provided by operating activities	<u>218,650</u>	<u>167,539</u>
<u>Investing activities:</u>		
Purchase of vehicles	(103,250)	(15,384)
Increase in office improvements	-	-
Net cash provided by investing activities	<u>(103,250)</u>	<u>(15,384)</u>
<u>Financing activities:</u>		
Net cash used by financing activities	<u>(2,658)</u>	<u>-</u>
Net increase in cash for the year	112,742	152,155
Cash - beginning of year	<u>1,090,123</u>	<u>937,968</u>
Cash - end of year	<u>\$ 1,202,865</u>	<u>\$ 1,090,123</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, 2022

<u>Operating Expenses:</u>	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fund Raising</u>
1st & 10 program	\$ 301,845	\$ 301,845	\$ -	\$ -
4th and 1 program	74,243	74,243		
Extra point academy program	16,335	16,335		
Education program	13,934	13,934		
Insurance	132,437	105,950	26,487	
Bank & credit card Fees	2,728		2,728	
Communications	9,705		9,705	
Dues and subscriptions	1,822		1,822	
Marketing and development	19,814			19,814
Compensation of employees	1,113,212	779,248	244,907	89,057
Payroll taxes	101,016	81,823	14,142	5,051
Depreciation	31,882	25,506	6,376	
Accounting	7,434		7,434	
Legal	-			
License and permits	-		-	
Office expenses	36,292	8,347	27,945	
Occupancy	9,732		9,732	
Management costs	21,112		21,112	
Golf tournament	18,748			18,748
Skeet shoot	-			-
<b>Total Functional Expenses</b>	<b>\$ 1,912,291</b>	<b>\$ 1,407,231</b>	<b>\$ 372,390</b>	<b>\$ 132,670</b>

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, 2021

<u>Operating Expenses:</u>	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fund Raising</u>
1st & 10 program	\$ 179,074	\$ 179,074	\$ -	\$ -
4th and 1 program	44,891	44,891		
Extra point academy program	4,757	4,757		
Education program	18,346	18,346		
Insurance	107,824	86,259	21,565	
Bank & Credit Card Fees	1,848		1,848	
Communications	3,944		3,944	
Dues and Subscriptions	5,240		5,240	
Marketing and development	26,020			26,020
Compensation of employees	895,847	627,093	197,086	71,668
Payroll taxes	75,765	61,370	10,607	3,788
Depreciation	20,623	16,498	4,125	
Accounting	7,365		7,365	
Legal	-			
License and permits	2		2	
Office expenses	37,713	8,674	29,039	
Occupancy	29,604		29,604	
Management costs	6,491		6,491	
Golf tournament	26,918			26,918
Skeet shoot	-			-
<b>Total Functional Expenses</b>	<b>1,492,272</b>	<b>\$ 1,046,962</b>	<b>\$ 316,916</b>	<b>\$ 128,394</b>

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, 2022 and 2021

**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.

**Comparative Financial Information**

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended 2022, from which the summarized information was derived.

**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, 2022 and 2021, 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, 2022 and 2021.

**BACKFIELD IN MOTION, INC.**  
Notes to Financial Statements  
For the Years Ended December 31, 2022 and 2021

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

**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 \$31,882 and \$20,623 for the years ended December 31, 2022 and 2021.

**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, 2022 and 2021, net assets with donor restrictions were \$0 and \$275,000.

**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.

## **BACKFIELD IN MOTION, INC.**

### **Notes to Financial Statements**

For the Years Ended December 31, 2022 and 2021

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

##### **Contributed Services**

During the years ended December 31, 2022 and 2021, 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 \$19,309 and \$26,020 for the years ended December 31, 2022 and 2021.

##### **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, 2020 through December 31, 2022.

##### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy, depreciation, insurance and interest, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, which are allocated on the basis of estimates of time and effort.

##### **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.

**BACKFIELD IN MOTION, INC.**  
Notes to Financial Statements  
For the Years Ended December 31, 2022 and 2021

**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, 2022, \$456,235 was uninsured and \$354,652 was uninsured at December 31, 2021.

**NOTE C - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash and cash equivalents	\$ 1,202,865
Accounts receivable, net	48,896
Less restrictions	<u>0</u>
	<u>\$ 1,251,761</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

**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 – ECONOMIC INJURY DISASTER LOAN**

The Organization was granted an Economic Injury Disaster Loan from the Small Business Administration amounting to \$150,000 on August 6, 2020. Payments of \$641 a month, including principal and interest, were to begin 12 months from the date of the promissory Note. On March 16, 2021, the SBA extended the deferment of payment for an additional twelve months. Then on March 22, 2022 the SBA provided an additional 6-month deferment for all COVID-19 EIDL loans. Therefore, payments are required to begin February 6, 2023. The balance of principal and interest will be payable 30 years from the date of the promissory Note. Interest will accrue at the rate of 2.75% per annum and will accrue only on funds actually advanced from the date of each advance. As of December 31, 2022 and 2021, \$147,342 and \$150,000 were outstanding.

**BACKFIELD IN MOTION, INC.**  
Notes to Financial Statements  
For the Years Ended December 31, 2022 and 2021

**NOTE E – ECONOMIC INJURY DISASTER LOAN (Cont’d)**

Maturities of the mortgage in each of the next five years are as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2023	\$ 4,926
2024	3,751
2025	3,855
2026	3,963
2027	4,073
Thereafter	<u>126,774</u>
Total	\$ <u>147,342</u>

**NOTE F – RELATED PARTY TRANSACTIONS**

During the 2022 fiscal year, the Organization made a short-term loan to its Executive Director in the amount of \$85,000. The loan was repaid in full prior to its due date, with interest.

**NOTE G –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, 2022 and 2021, the Organization had no outstanding legal fees due and no liabilities were accrued.

**NOTE H –RECENT ACCOUNTING PRONOUNCEMENTS**

In 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, Leases, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. All leases are short-term. Therefore, no disclosure is required as of December 31, 2022. Additionally, management elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, we recognized no right-of-use assets and lease liabilities in its statement of financial position as of December 31, 2022 or 2021. The adoption did not result in an effect on amounts reported in the statement of financial position sheet for the year ended December 31, 2022.

**NOTE I - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 10, 2023, which is the date the financial statements were available to be issued.

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, 2022 and 2021, and the related statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 10, 2023.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Hopkins Accountants + Advisors

A handwritten signature in black ink that reads "Hopkins". The signature is written in a cursive, flowing style.

Nashville, Tennessee  
May 10, 2023