

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

December 31, 2017 and 2016

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

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# HOPKINS-PAGE

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2017 and 2016, 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, 2017 and 2016, 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, reading "Hopkins Page". The signature is written in a cursive style with a large, looping "H" and a long, sweeping "P".

Nashville, Tennessee  
April 3, 2018

**Backfield in Motion, Inc.**

## Statement of Position

December 31

20172016**ASSETS****Current assets:**

Cash in banks and savings (See Note)	\$ 609,296	\$ 462,269
Accounts Receivable	92,759	52,251
Prepaid insurance	7,170	-
Total current assets	<u>709,225</u>	<u>514,520</u>

**Property and equipment:**

Land	29,800	29,800
Office building	136,470	136,470
Office equipment and systems	49,714	49,714
Vehicles	97,207	98,707
	<u>313,191</u>	<u>314,691</u>
Less: Accumulated depreciation	(163,435)	(141,095)
Total property and equipment	<u>149,756</u>	<u>173,596</u>

**TOTAL ASSETS**

\$ 858,981	\$ 688,116
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**LIABILITIES AND NET ASSETS****Current liabilities:**

Accounts payable	\$ -	\$ 12,000
Accrued payroll liabilities	15,629	12,732
Total current liabilities	<u>15,629</u>	<u>24,732</u>

**Unrestricted net assets**

<u>843,352</u>	<u>663,384</u>
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**TOTAL LIABILITIES  
AND NET ASSETS**

<u>\$ 858,981</u>	<u>\$ 688,116</u>
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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>2017</u>	<u>2016</u>
<b>UNRESTRICTED NET ASSETS SUPPORT</b>		
Grants/Contributions	\$ 469,787	\$ 496,488
Program contributions	127,540	159,549
Fundraising	<u>249,474</u>	<u>124,100</u>
Total support from operations	<u>846,800</u>	<u>780,137</u>
Investment and other income		
Dividends and interest	2,670	1,640
Other income	<u>(7)</u>	<u>1,250</u>
Total other income	<u>2,663</u>	<u>2,890</u>
<b>TOTAL SUPPORT AND REVENUE FROM OPERATIONS</b>	<b>849,463</b>	<b>783,027</b>
<b>EXPENSES</b>		
Program Services		
Depreciation	18,352	16,618
1st & 10 program	59,976	41,921
4th & 1 program	10,760	10,182
Education program	1,400	5,600
Program Administration	<u>355,449</u>	<u>332,912</u>
Total Program Service Expenses	<u>445,937</u>	<u>407,233</u>
Supporting Services		
Management and general	131,146	116,573
Fundraising	<u>92,412</u>	<u>96,062</u>
Total supporting services	<u>223,558</u>	<u>212,635</u>
Total expenses	<u>669,495</u>	<u>619,868</u>
Change in Net Assets	179,968	163,159
NET ASSETS, beginning of year	<u>663,384</u>	<u>500,225</u>
NET ASSETS, End of year	<u><u>\$ 843,352</u></u>	<u><u>\$ 663,384</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,

20172016Operating activities:

Changes in net assets	\$ 179,968	\$ 163,159
Adjustments to reconcile changes in net assets to cash provided by operations		
Depreciation	22,940	20,773
(Increase) decrease in Accounts Receivable	(40,508)	(52,251)
(Increase) decrease in prepaid expenses	(7,170)	4,513
Increase (decrease) in accounts payable	(12,000)	5,325
Increase (decrease) in accrued payroll liabilities	2,897	1,729
Add: Loss on sale of vehicle	400	-
Net cash provided by operating activities	<u>146,527</u>	<u>143,248</u>

Investing activities:

Purchase of vehicles	-	(34,786)
Proceeds from sale of vehicle	500	-
Net cash provided by investing activities	<u>500</u>	<u>(34,786)</u>

Financing activities:

Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase in cash for the year	147,027	108,462
Cash - beginning of year	<u>462,269</u>	<u>353,807</u>
Cash - end of year	<u>\$ 609,296</u>	<u>\$ 462,269</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, 2017

<u>Operating Expenses:</u>	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fund Raising</u>
Grants (sponsorship)			\$ -	\$ -
1st & 10 program	59,976	59,976		
4th and 1 program	10,760	10,760		
Extra point academy program				
Education program	1,400	1,400		
Insurance	56,254	45,004	11,251	
Bank & Credit Card Fees	2,825		2,825	
Communications	2,020		2,020	
Dues and Subscriptions	1,271		1,271	
Marketing and development	4,430			4,430
Compensation of employees	401,252	280,877	88,276	32,100
Payroll taxes	33,543	27,170	4,696	1,677
Depreciation	22,940	18,352	4,588	
Accounting	6,850		6,850	
Legal				
License and permits	295		295	
Office expenses	10,317	2,399	7,918	
Occupancy		-		
Management costs	1,156		1,156	
Golf tournament	18,487			18,487
Skeet shoot	35,718			35,718
<b>Total Functional Expenses</b>	<b>\$ 669,495</b>	<b>\$ 445,937</b>	<b>\$ 131,146</b>	<b>\$ 92,412</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, 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	8,549		
Travel	2,486		2,486	
Golf tournament	29,311			29,311
Skeet shoot	35,307			35,307
<b>Total Functional Expenses</b>	<b>\$ 619,868</b>	<b>\$ 407,234</b>	<b>\$ 116,573</b>	<b>\$ 96,062</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, 2017 and 2016

**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, 2017 and 2016.

**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, 2017 and 2016, the Organization had no cash equivalents.

**BACKFIELD IN MOTION, INC.**

Notes to Financial Statements

For the Years Ended December 31, 2017 and 2016

**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, 2017 and 2016.

**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, 2017 and 2016.

**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 \$22,940 and \$20,773 for the years ended December 31, 2017 and 2016.

**Advertising Costs**

Costs related to advertising are expensed as incurred. The Organization incurred advertising costs amounting to \$4,430 and \$2,501 for the years ended December 31, 2017 and 2016.

**BACKFIELD IN MOTION, INC.**

Notes to Financial Statements

For the Years Ended December 31, 2017 and 2016

**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, 2014 through December 31, 2017.

**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, 2017 and 2016, 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, 2017 and 2016

**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, 2017 \$225,083 was uninsured and \$101,016 was uninsured at December 31, 2016.

**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, 2017 and 2016, the Organization had no outstanding legal fees due and no liabilities were accrued.

**NOTE E – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through April 3, 2018, which is the date the financial statements were available to be issued.

No significant subsequent events have been identified by management.

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CERTIFIED PUBLIC ACCOUNTANTS

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## 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 position as of December 31, 2017, 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 April 3, 2018.

### **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.

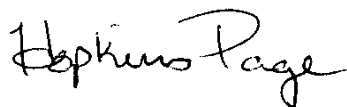
## **Compliance and Other Matters**

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

April 3, 2018