

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

December 31, 2011 and 2010

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



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**Backfield In Motion, Inc..
Financial Statements
December 31, 2011 and 2010**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Backfield In Motion, Inc. (a Tennessee no-for-profit Organization) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Backfield In Motion, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Wilson & Wilson, PC

Bellevue, Tennessee 37221

April 20, 2012



Backfield in Motion, Inc.**Balance Sheet**

December 31, 2011 and 2010

ASSETS	2,011	2,010
Current Assets:		
Cash and cash equivalents		
Charles Schwab - Money Market	\$7,675	\$5,278
First Tennessee Bank - Savings	9	
Legends Bank - Fundraising	2,027	
Legends Bank - Savings	219,476	
SunTrust Bank - Checking	12,421	136,612
Total Cash and cash equivalents	241,607	141,890
Total Current Assets	241,607	141,890
Property and equipment:		
Office Building	136,470	136,470
Office Equipment & Computers	49,714	49,714
Office Land	29,800	29,800
Vehicles	88,895	76,145
Accumulated Depreciation	(138,051)	(122,897)
Property and equipment	166,828	169,232
TOTAL ASSETS	\$408,435	\$311,122
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$5,096	\$0
Property Taxes Payable	4,052	
Total Current Liabilities	9,148	0
Long-Term Liabilities		
US Bank Note Payable	125,000	180,500
Total Long-Term Liabilities	125,000	180,500
Total Liabilities	134,148	180,500
Net Assets		
Net Assets-Unrestricted	274,287	130,622
Total Net Assets-Unrestricted	274,287	130,622
TOTAL LIABILITIES AND NET ASSETS	\$408,435	\$311,122

The accompanying notes are an integral part of this statement.

Backfield in Motion, Inc.
Statement of Activities and Change in Net Assets
For the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues and Other Support:	\$766,543	\$735,218
<u>Operating Expenses:</u>		
1st & 10 Program	18,432	30,969
4th and 1 Program	30,804	22,095
Administrative	51,659	51,415
Education Program	10,575	10,137
Extra Point Academy	11,111	7,959
Insurance	64,947	63,894
Marketing & Development	7,318	10,934
Other Miscellaneous Service Cost		5
Payroll Costs	391,936	435,186
Staff Costs	1,157	100
Transportation	19,793	17,777
Total Operating Expenses	<u>607,732</u>	<u>650,472</u>
Net Change in Assets before Depreciation	158,811	84,747
<u>Other Revenue and Expenses:</u>		
Interest Income	8	
Other Income		249
Total Other Income	<u>8</u>	<u>249</u>
<u>Other Expenses:</u>		
Depreciation	<u>15,154</u>	<u>13,475</u>
Total Other Expenses	<u>15,154</u>	<u>13,475</u>
Net Other Revenue and Expenses	<u>(15,146)</u>	<u>(13,226)</u>
Net Change in Assets	<u><u>\$143,665</u></u>	<u><u>\$71,521</u></u>

The accompanying notes are an integral part of this statement.

Backfield in Motion, Inc.
Statement of Cash Flows
For the year ended December 31, 2011 and 2010

	2011	2010
OPERATING ACTIVITIES		
Change in Net Assets	\$143,665	\$101,521
Adjustments to reconcile Net Income to Net Cash provided by: operations:		
Depreciation	15,154	13,475
Property Taxes Payable	4,052	
Accounts Payable	<u>5,096</u>	<u>(3,806)</u>
Net cash provided by operating activities	167,967	114,996
INVESTING ACTIVITIES		
Vehicles	<u>(12,750)</u>	<u>0</u>
Net cash provided (used) by investing activities	(12,750)	0
FINANCING ACTIVITIES		
US Bank Note Payable	<u>(55,500)</u>	<u>(9,500)</u>
Net cash provided by financing activities	<u>(55,500)</u>	<u>(9,500)</u>
Net cash increase for period	99,717	105,496
Cash at beginning of period	<u>141,890</u>	<u>40,200</u>
Cash at end of period	<u><u>\$241,607</u></u>	<u><u>\$141,890</u></u>

The accompanying notes are an integral part of this statement.

Backfield In Motion, Inc.
Notes to Financial Statements
DECEMBER 31, 2011 and 2010

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, 2011 and at December 31, 2010, the Organization had no cash equivalents.

Backfield In Motion, Inc.
Notes to Financial Statements
DECEMBER 31, 2011 and 2010

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, 2011. There were no conditional promises to give as of December 31, 2011.

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, 2011 and 2010

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>2011</u>	<u>2010</u>
Note payable to U.S. Bank. Payment of the Note is interest only and principal paid at the discretion of Management	\$180,500	\$190,000
Less current principal payments	(<u>55,500</u>)	(<u>9,500</u>)
	<u>\$ 125,000</u>	<u>\$180,500</u>

Backfield In Motion, Inc.
Notes to Financial Statements
DECEMBER 31, 2011 and 2010

NOTE 3 – CONCENTRATION OF CREDIT RISK

During the year, the Company may have cash and cash equivalents in excess of federally insured limits of \$250,000 at one banking institution. These amounts potentially subject the Company to credit risk in the unlikely event that the banking institution fails. The Organization's banks are adequately capitalized and insured by FDIC.

NOTE 4 – RELATED PARTY

The organization received contributions from the President of the Organization during 2011 and 2010, respectively. These contributions were included in the Statement of Activities for the year ended December 31, 2011 and 2010. The deposits are not considered to be material.

NOTE 5 – 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.

**NOTE 6 – GRANT FUNDS PROVIDED BY FEDERAL SOURCES
ADMINISTERED BY THE STATE OF TENNESSEE AND OTHERS**

The Organization is the recipient of multiple grants. Grants are applied and disbursed in strict accordance with the grant provider. Grant providers often audit the use of grants provided by them. Grant expenditure records are detailed by cost categories indicated in the approved budget (including indirect costs that are charged to the project). Actual expenditures are compared with budgeted amounts.

Backfield In Motion, Inc.
Notes to Financial Statements
DECEMBER 31, 2011 and 2010

NOTE 7 – GOING CONCERN AND CONTINUING BUSINESS

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in **Note (5)** to the financial statements, the Organization has requested, from the Internal Revenue Service, a change in status from a Private Foundation to a Public Entity. Such change in status will allow the Organization to obtain grants from government agencies, private foundations, and individual supporters. Backfield In Motion, Inc. expects development activities to continue to expand, and the company will continue to seek additional funding sources.

NOTE 8 – CONTINGENCIES

According to the Board and the Organization's attorney, there are no pending or contingent liabilities known to exist at the audit date.

NOTE 9 – SUBSEQUENT EVENTS

Management has not planned changes in major assets or programs which would qualify as subsequent events as defined by the Financial Accounting Standards Board or the American Institute of Certified Public Accountants.