

WEST NASHVILLE SPORTS LEAGUE, INC.
NASHVILLE, TENNESSEE

**FINANCIAL STATEMENTS AND
ACCOMPANYING ACCOUNTANT'S
REPORT**

DECEMBER 31, 2012

R. SCOTT DIXON

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditors' Report

To the Board of Directors
West Nashville Sports League, Inc.
Nashville, Tennessee

We have audited the accompanying financial statements of West Nashville Sports League, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2012, and the related statements of activities 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.

Auditor's 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. 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 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.

(continued)

The Board of Directors
West Nashville Sports League, Inc.
June 19, 2013
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Independent Auditor's Report, continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Nashville Sports League, Inc. as of December 31, 2012, 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.

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 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 other 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.

R. Scott Dief

Nashville, Tennessee
June 19, 2013

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2012

THE SPIRIT OF WNSL – West Nashville Sports League is a leading youth sports league currently with thousands of participants in three sports. We provide a small town, community atmosphere in one of the largest and fastest growing cities in the Southeast, an atmosphere that provides youth participants of all skill levels a platform in which to excel. We pride ourselves on organization, communication and hard work and encourage participants to have fun and focus on fairness of play, recreational competition and what we call WNSL-type standards of gamesmanship. Offering multiple scholarships in all sports, we provide character and life skills development to youth of all economic backgrounds. WNSL promotes sportsmanship and camaraderie. WNSL promotes fun and learning. WNSL promotes “*Love of the Game.*”

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND ACTIVITIES

West Nashville Sports League, Inc. is an organization exempt from income tax incorporated under the laws of the state of Tennessee. The Organization’s sole purpose is to operate youth sports and recreation leagues in the Nashville area. The Organization currently has five programs in four sports consisting of winter basketball, summer basketball, spring baseball, fall baseball, and flag football. The Organization’s support comes substantially from registration fees paid by the youth participants in the Organization’s programs. The Organization also accepts sponsorship contributions from entities who receive recognition and other benefits in exchange for the contributed amounts.

RECOGNITION OF DONOR CONTRIBUTIONS

Unrestricted support is recognized as revenues and an increase in unrestricted net assets in the period it is earned. Temporarily restricted support is reported as an increase in temporarily restricted net assets. When net assets are released from the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has no permanently restricted net assets (See additionally below, and Note 2.).

BASIS OF ACCOUNTING AND PRESENTATION

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2012

NOTE 1. NATURE OF ACTIVITIES AND 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.

CASH RESTRICTED FOR CAPITAL PROJECT

Cash has been restricted by donors in the amount of \$21,357 for the construction of lights on a baseball field the Organization uses in its baseball service program. The Organization commenced the project in late year 2011. This cash is not available for operating purposes.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

EQUIPMENT AND MACHINERY

Equipment and machinery is reported at cost or, if donated, at the approximate fair value at the time of donation, and include improvements that significantly add to utility or extend useful lives. Costs of maintenance and repairs are charged to expense as incurred. Depreciation is provided over the estimated useful lives of the assets. Donations of equipment and machinery are recorded as support at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending December 31, 2109, 2010 and 2011 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 2. RESTRICTIONS ON NET ASSETS

Temporary restrictions on net assets at the end of 2012, in the amount of \$21,357, are related to funds raised to construct lights on a baseball field the Organization uses in its operations. The Organization commenced the capital campaign in late year 2011. Cash contributed in that amount at the end of 2012 is restricted for payment of the construction project.

NOTE 3. DEFERRED PROGRAM SERVICE REVENUE AND PREPAID EXPENSES

Deferred program service revenue in the amount of \$365,883 are funds received during the year ended December 31, 2012, for the Organization's winter basketball program that commences and will be performed in its entirety during the immediately succeeding year. Prepaid program service costs in the amount of \$47,863 are amounts expended for use in the service program through which the deferred revenue is realized. Accordingly, deferred revenue and related prepaid costs are recognized in the statement of financial position as current liabilities and assets, respectively.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2012

NOTE 4. CASH AND CONCENTRATIONS OF CREDIT RISK

The cash accounts are held by financial institutions in Tennessee and at times may exceed amounts that are federally insured. It is the opinion of management that the solvency of the referenced financial institutions is not of concern currently.

NOTE 5. DONATED SERVICES, MATERIALS AND FACILITIES

The Organization receives donated services from unpaid volunteers assisting the Organization in the administration of its program services. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under FASB ASC 958 have not been satisfied.

The Organization utilizes portions of properties owned by Metropolitan Board of Parks and Recreation and Harpeth Hills Church of Christ in the administration of its spring and fall baseball programs. The use and license agreements between the Organization and the Board and Church are each on a year-to-year basis. The Organization uses the properties and facilities substantially during the months of March through July and September through October in the administration of its baseball programs. No rent was paid by the Organization to the Board, and \$2,000 was paid to the Church during 2012. The Organization is responsible for all maintenance of the properties. Management has estimated the approximate fair value of the rental of the properties during periods of use to be \$5,000 each, annually. Consequently, \$8,000 is included in contributions and program service expenses in the statement of activities to reflect the fair value of use of the donated facilities.

NOTE 6. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the sports and recreation programs and the costs of administration have been presented in the separate statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

NOTE 7. FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

NOTE 8. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 19, 2013, the date which the financial statements were available to be issued.

END OF NOTES

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support, sponsorships and contributions	\$ 109,555	\$ 13,599	\$ 123,154
Net fund-raising events income, Warner Park lights	0	7,598	7,598
Interest income	226	-	226
Program services, net --			
Baseball, fall	51,403	-	51,403
Baseball, spring	295,693	-	295,693
Basketball, summer	47,714	-	47,714
Basketball, winter	510,634	-	510,634
Flag football	127,585	-	127,585
Total support and revenue	<u>1,142,810</u>	<u>21,197</u>	<u>1,164,007</u>
EXPENSES			
Program services --			
Baseball, fall	53,109	-	53,109
Baseball, spring	275,613	-	275,613
Basketball, summer	26,789	-	26,789
Basketball, winter	346,566	-	346,566
Flag football	83,501	-	83,501
Supporting services --			
Compensation, director	58,556	-	58,556
Salaries, other	30,000	-	30,000
Contract labor	71,462	-	71,462
Taxes and licenses	16,214	-	16,214
Advertising and promotions	2,617	-	2,617
Supplies	3,031	-	3,031
Insurance	19,177	-	19,177
Repairs and maintenance	8,159	-	8,159
Professional fees	5,265	-	5,265
Depreciation	20,693	-	20,693
Gasoline	2,893	-	2,893
Donations	2,235	-	2,235
Computer expenses	6,252	-	6,252
Dues, fees and subscriptions	6,106	-	6,106
Office expenses	2,892	-	2,892
Meetings expense	3,102	-	3,102
Printing and reproduction	2,059	-	2,059
Utilities	14,578	-	14,578
Meals and entertainment	2,053	-	2,053
Other expenses	4,054	-	4,054
Total expenses	<u>1,066,976</u>	<u>-</u>	<u>1,066,976</u>
Increase (decrease) in net assets	75,834	21,197	97,031
NET ASSETS, December 31, 2011	<u>53,267</u>	<u>160</u>	<u>53,427</u>
NET ASSETS, December 31, 2012	<u>\$ 129,101</u>	<u>\$ 21,357</u>	<u>\$ 150,458</u>

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets	\$	97,031
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation		20,693
Decrease in prepaid program service costs		40,517
Decrease in prepaid insurance		746
Increase in accounts payable, trade		30,953
(Decrease) in payroll taxes payable		(2,827)
(Decrease) in deferred program service revenue		(3,268)
Less: cash restricted for capital project, Warner Park lights		
Contributions		(13,599)
Net fund-raising events income		(7,598)
Net cash provided by operating activities		162,648

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisitions of equipment and machinery		(16,077)
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INCREASE IN CASH

146,571

CASH AND CASH EQUIVALENTS, December 31, 2011

272,033

CASH AND CASH EQUIVALENTS, December 31, 2012

\$ 418,604

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2012

	PROGRAM SERVICES						Total Expenses
	Fall Baseball	Spring Baseball	Summer Basketball	Winter Basketball	Flag Football	Management and General	
Contract labor	\$ 98	\$ 9,417	\$ 1,147	\$ 4,473	\$ 234	\$ 70,995	\$ 86,364
Administration	1,667	11,845	-	-	1,368	467	15,347
Concessions	250	-	-	2,891	250	-	3,391
Custodians and security	8,368	21,450	-	-	60	-	29,878
Field and facilities maintenance	-	-	-	41,903	-	-	41,903
Gym monitors	400	505	-	3,300	-	-	4,205
Coaches and instructors	6,572	54,900	3,271	121,087	19,346	-	205,176
Referees and umpires	4,900	-	-	-	-	-	4,900
Clinics expense	-	-	-	-	-	-	58,556
Director's compensation	-	-	-	-	-	-	30,000
Salaries, other	-	-	-	-	-	-	16,214
Taxes and licenses	-	-	-	-	-	-	2,617
Advertising and promotions	2,614	1,504	-	4,329	713	-	11,777
Registration and management fees	3,373	12,443	2,827	25,354	6,992	-	50,989
Donations	-	-	-	-	-	-	2,235
Computer expenses	-	-	-	-	-	-	6,252
Concession expenses	5,951	46,857	-	-	6,622	-	59,430
Depreciation	-	-	-	-	-	-	20,693
Dues, fees and subscriptions	-	6,105	-	-	-	6,106	12,211
Gasoline	342	2,375	98	852	223	2,893	6,783
Gymnasium and field rentals	5,000	5,580	10,505	55,161	4,900	-	81,146
Insurance	-	-	-	-	-	19,177	19,177
Professional fees	-	-	-	-	-	5,265	5,265
Meals and entertainment	-	-	-	-	-	2,053	2,757
Office expenses	-	71	-	1,514	105	2,892	4,582
Meetings expense	-	-	-	-	-	3,102	3,102
Printing and reproduction	1,489	5,437	654	9,432	1,841	2,059	20,912
Repairs and maintenance	2,009	8,005	-	-	336	8,159	18,509
Supplies	3,442	26,556	-	6,839	2,683	3,031	42,551
Team sponsorships	-	1,000	-	-	-	1,000	2,000
Trophies and medallions	-	6,003	-	13,390	4,653	-	24,046
Uniforms	6,634	55,560	8,287	56,041	32,471	636	159,629
Utilities	-	-	-	-	-	14,578	14,578
Other expenses	-	-	-	-	-	2,418	2,418
	\$ 53,109	\$ 275,613	\$ 26,789	\$ 346,566	\$ 83,501	\$ 281,398	\$ 1,066,976

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	418,604
Prepaid costs and expenses --		
Program service costs (Note 3)		47,863
Insurance		12,358
		478,825
Total current assets		478,825

EQUIPMENT AND MACHINERY

Automotive equipment		19,345
Baseball field equipment		101,151
Field improvements		16,871
Flag football equipment		3,765
Office and computer equipment		14,302
		155,434
Less: accumulated depreciation		106,764
		48,670
Equipment and machinery, net		48,670

LONG-TERM ASSETS

Cash restricted for capital project (Note 2)		21,357
		21,357
Total assets		\$ 548,852

CURRENT LIABILITIES

Accounts payable, trade	\$	32,511
Deferred program service revenue (Note 5)		365,883
		398,394
Total current liabilities		398,394

LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted		129,101
Temporarily restricted (Note 2)		21,357
		150,458
Total net assets		150,458

Total liabilities and net assets	\$	548,852
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See accompanying notes to financial statements.