

WEST NASHVILLE SPORTS LEAGUE, INC.
NASHVILLE, TENNESSEE

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

DECEMBER 31, 2010

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 statement of financial position of West Nashville Sports League, Inc. (a nonprofit organization) as of December 31, 2010, and the related statements of activities, cash flows and functional expenses 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 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 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 a reasonable basis for our 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, 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.

R. Scott Dixon

Nashville, Tennessee
June 29, 2011

WEST NASHVILLE SPORTS LEAGUE, INC.

NASHVILLE, TENNESSEE

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010

SUPPORT AND REVENUE

Support, sponsorships and contributions	\$	172,885
Program services, net --		
Baseball, fall		40,145
Baseball, spring		273,637
Basketball, summer		39,486
Basketball, winter		511,784
Flag football		101,382
Interest income		772
Total support and revenue		<u>1,140,091</u>

EXPENSES

Program services --		
Baseball, fall		41,032
Baseball, spring		303,026
Basketball, summer		28,156
Basketball, winter		363,518
Flag football		74,037
Supporting services --		
Compensation, director		65,100
Salaries, other		30,000
Contract labor		22,995
Taxes and licenses		8,170
Advertising		2,969
Supplies		6,759
Bank and registration fees		23,602
Insurance		19,915
Repairs and maintenance		15,282
Professional fees		8,550
Depreciation		24,526
Gasoline		2,173
Donations		1,580
Computer expenses		4,489
Dues, fees and subscriptions		3,990
Office expenses		7,704
Utilities		11,940
Meals and entertainment		6,375
Other expenses		3,235
Total expenses		<u>1,079,123</u>

Increase in unrestricted net assets 60,968

NET ASSETS (deficit), December 31, 2009 (4,129)

NET ASSETS, December 31, 2010 \$ 56,839

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.

NASHVILLE, TENNESSEE

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets	\$	60,968
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation		24,526
Decrease in overpaid payroll taxes receivable		7,060
Decrease in prepaid program service costs		30,856
Decrease in prepaid insurance		5,086
Increase in accounts payable, trade		3,804
Increase in payroll taxes payable		2,954
(Decrease) in deferred program service revenue		<u>(70,057)</u>
Net cash provided by operating activities		<u>65,197</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisitions of equipment and machinery		<u>(11,561)</u>
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INCREASE IN CASH 53,636

CASH AND CASH EQUIVALENTS, December 31, 2009 249,607

CASH AND CASH EQUIVALENTS, December 31, 2010 \$ 303,243

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
NASHVILLE, TENNESSEE

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2010

	PROGRAM SERVICES						Management and General	Total Expenses
	Fall Baseball	Spring Baseball	Summer Basketball	Winter Basketball	Flag Football			
Contract labor								
Administration	\$ 638	\$ 11,758	\$ 1,115	\$ 11,784	\$ 6,753	\$ 22,995	\$ 55,043	
Concessions	1,668	21,148	-	2,420	1,716	-	26,952	
Custodians and security	-	120	-	-	400	-	520	
Field maintenance	4,696	10,025	-	-	-	-	14,721	
Gym monitors	-	-	600	46,396	-	-	46,996	
Coaches and instructors	605	140	2,310	-	-	-	3,055	
Jamboree	-	175	-	-	-	-	175	
Referees and umpires	5,885	42,885	3,615	104,670	14,185	-	171,240	
Contract labor, other	-	238	-	155	-	-	393	
Director's compensation	-	-	-	-	-	65,100	65,100	
Salaries, other	-	-	-	-	-	30,000	30,000	
Taxes and licenses	-	1,311	-	-	-	8,170	9,481	
Advertising	358	6,239	-	9,747	5,870	2,969	25,183	
Bank and registration fees	-	-	-	18,504	-	23,602	42,106	
Donations	-	-	-	-	-	1,580	1,580	
Computer expenses	-	39	-	-	-	4,489	4,528	
Concession expenses	8,354	35,697	-	-	8,242	980	53,273	
Depreciation	-	-	-	-	-	24,526	24,526	
Dues and subscriptions	-	1,575	-	1,572	-	3,990	7,137	
Gasoline	231	549	57	1,497	281	2,173	4,788	
Gymnasium and field rentals	3,400	8,000	13,030	58,144	3,000	-	85,574	
Insurance	-	-	-	-	-	19,915	19,915	
Professional fees	-	-	-	-	-	8,550	8,550	
Meals and entertainment	-	71	-	136	-	6,375	6,582	
Office expenses	599	2,486	218	10,609	972	7,704	22,588	
Repairs and maintenance	1,325	18,380	-	-	160	15,282	35,147	
Supplies	1,493	11,516	901	12,567	2,269	6,759	35,505	
Team sponsorships - tournaments	-	49,000	-	-	-	-	49,000	
Travel and lodging	-	-	-	592	-	-	592	
Trophies and medallions	996	6,682	-	8,689	3,181	-	19,548	
Uniforms	10,784	74,786	6,310	75,513	27,004	-	194,397	
Utilities	-	100	-	-	-	11,940	12,040	
Other expenses	-	106	-	523	4	2,255	2,888	
	<u>\$ 41,032</u>	<u>\$ 303,026</u>	<u>\$ 28,156</u>	<u>\$ 363,518</u>	<u>\$ 74,037</u>	<u>\$ 269,354</u>	<u>\$ 1,079,123</u>	

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.

NASHVILLE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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 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 primarily receive advertising benefits in exchange for the contributed amounts. The Organization receives minimal support from other donor contributions.

RECOGNITION OF DONOR CONTRIBUTIONS

The Organization currently receives no restricted contributions. Therefore, there is no presentation of temporarily or permanently restricted net assets in the statement of financial position or activities. Unrestricted support is recognized as revenues and an increase in unrestricted net assets in the period they are received. The Organization has procedures that would similarly recognize temporarily and permanently restricted support as revenues and an increase in net assets so restricted, depending on the nature of the donor restrictions.

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 net assets, temporarily restricted net assets, and permanently restricted net assets. As indicated above, the Organization has no temporarily or permanently restricted net assets.

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 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.

WEST NASHVILLE SPORTS LEAGUE, INC.
NASHVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2010

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.

NOTE 2. DEFERRED PROGRAM SERVICE REVENUE AND PREPAID EXPENSES

Deferred program service revenue in the amount of \$346,279 are funds received during the year ended December 31, 2010, 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 \$72,815 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.

NOTE 3. 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 4. 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 Harpeth Hills Church of Christ and Metropolitan Board of Parks and Recreation in the administration of its spring and fall baseball programs. The use and license agreements between the Organization and the Church and Board 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. No rent is paid by the Organization. Management has estimated the approximate fair value of the rental of the properties during periods of use to be \$5,000 each, annually, and is included in contributions and expenses in the statement of activities.

WEST NASHVILLE SPORTS LEAGUE, INC.
NASHVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2010

NOTE 5. 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 6. 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 7. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 29, 2010, the date which the financial statements were available to be issued.

END OF NOTES