

WEST NASHVILLE SPORTS LEAGUE, INC.
NASHVILLE, TENNESSEE

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

DECEMBER 31, 2014

R. SCOTT DIXON

CERTIFIED PUBLIC ACCOUNTANT

**812 18TH Avenue, South #12
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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, 2014, 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)

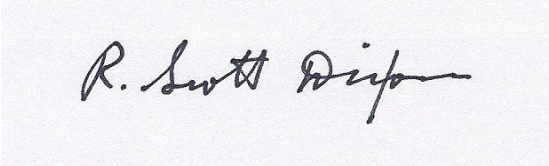
Independent Auditor's Report, continued

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, 2014, 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
July 1, 2015

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

THE SPIRIT OF WNSL – West Nashville Sports League is a leading youth sports league currently with thousands of participants in a range of organized 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 six programs in four sports consisting of winter basketball, summer basketball, spring baseball, fall baseball, flag football and soccer. 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.

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.

ACCOUNTS RECEIVABLE

Trade receivables are shown at their net realizable value and represent amounts collected and held by the Organization’s online credit card processing company for deposit in the subsequent year. No amounts are deemed uncollectible and no provision for bad debts is reflected in the statement of activities.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2014

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 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, MACHINERY AND IMPROVEMENTS

Equipment, machinery and improvements are 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 using accelerated methods 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.

ADVERTISING COSTS

Costs incurred for advertising and promotions are expensed when incurred. Advertising expenses are allocated among the programs primarily benefited or, if primarily benefiting the Organization in nature, to management and general expenses.

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, 2011, 2012 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 2. RESTRICTED CASH FOR CAPITAL PROJECT

During 2014 the organization made expenditures in the amount of \$61,722 for baseball field lights and other improvements on land owned by Metropolitan Nashville Board of Parks and Recreation. The amount includes cash of \$45,127 that was temporarily restricted and released from restrictions for the purpose of constructing the improvement project.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2014

NOTE 3. DEFERRED PROGRAM SERVICE REVENUE AND PREPAID EXPENSES

Deferred program service revenue in the amount of \$238,479 are funds received during the year ended December 31, 2014, for the Organization's winter basketball and spring baseball programs that commence and will be performed in their entirety during the immediately succeeding year. Prepaid program service costs in the amount of \$35,416 are amounts expended for use in the service programs 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 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 or Church. The Organization is responsible for all maintenance of the properties that it utilizes for its program services. Management has estimated the approximate fair value of the rental of the properties during periods of use to be \$4,000 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, and trade receivables and payables 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 July 1, 2015, the date which the financial statements were available to be issued.

END OF NOTES

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 389,701
Accounts receivable, trade	11,841
Overpaid federal payroll taxes	1,945
Prepaid costs and expenses --	
Program service costs (Note 3)	35,416
Insurance	16,224
Total current assets	<u>455,127</u>

EQUIPMENT AND MACHINERY

Automotive equipment	18,046
Baseball field equipment	117,226
Field improvements (Note 2)	82,593
Flag football equipment	1,750
Office and computer equipment	21,468
	<u>241,083</u>
Less: accumulated depreciation	135,980
Equipment and machinery, net	<u>105,103</u>
 Total assets	 <u>\$ 560,230</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable, trade	\$ 14,496
Accrued salaries	2,102
Payroll taxes payable	257
Other current liabilities	318
Deferred program service revenue (Note 3)	238,479
Total current liabilities	<u>255,652</u>

NET ASSETS

Unrestricted	304,578
Temporarily restricted	-
Total net assets	<u>304,578</u>
 Total liabilities and net assets	 <u>\$ 560,230</u>

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<i>Temporarily</i> <u>Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support, sponsorships and contributions	\$ 46,693	\$ 2,949	\$ 49,642
Interest income	358	-	358
Program services, net --			
Baseball, fall	80,658	-	80,658
Baseball, spring	345,325	-	345,325
Basketball, summer	35,711	-	35,711
Basketball, winter	422,851	-	422,851
Flag football	165,613	-	165,613
Soccer	31,116	-	31,116
Total support and revenue	<u>1,128,325</u>	<u>2,949</u>	<u>1,131,274</u>
Net assets released from restrictions	45,127	(45,127)	-
Total support, revenue and other gains	<u>1,173,452</u>	<u>(42,178)</u>	<u>1,131,274</u>
PROGRAM AND SUPPORTING EXPENSES			
Program services --			
Baseball, fall	74,130	-	74,130
Baseball, spring	291,198	-	291,198
Basketball, summer	27,746	-	27,746
Basketball, winter	284,741	-	284,741
Flag football	92,955	-	92,955
Soccer	15,746	-	15,746
Supporting services --			
Management and general	324,046	-	324,046
Total program and supporting expenses	<u>1,110,562</u>	<u>-</u>	<u>1,110,562</u>
OTHER LOSSES			
Loss on intermediary transactions, net	(3,591)	-	(3,591)
Loss on disposition of machinery and equipment	(136)	-	(136)
Total other losses	<u>(3,727)</u>	<u>-</u>	<u>(3,727)</u>
Increase in net assets	59,163	(42,178)	16,985
NET ASSETS, December 31, 2013	<u>245,415</u>	<u>42,178</u>	<u>287,593</u>
NET ASSETS, December 31, 2014	<u>\$ 304,578</u>	<u>\$ -</u>	<u>\$ 304,578</u>

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets	\$	16,985
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation		17,095
Loss on disposition of machinery and equipment		136
(Increase) in accounts receivable, trade		(3,888)
(Increase) in overpaid federal payroll taxes		(1,945)
Decrease in prepaid program service costs		1,845
(Increase) in prepaid insurance		(3,221)
(Decrease) in accounts payable, trade		(369)
Increase in accrued salaries		2,102
Increase in payroll taxes payable		257
Increase in other current liabilities		318
(Decrease) in deferred program service revenue		(48,583)
Less: cash restricted for capital project, Warner Park lights		(2,949)
Net cash provided by operating activities		<u>(22,217)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for equipment and machinery		(27,444)
Purchase of assets restricted to investment in property and equipment		<u>(45,127)</u>
Net cash used by investing activities		<u>(72,571)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash released from restrictions for capital project, Warner Park lights and improvements		<u>45,127</u>
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DECREASE IN CASH (49,661)

CASH AND CASH EQUIVALENTS, December 31, 2013 439,362

CASH AND CASH EQUIVALENTS, December 31, 2014 \$ 389,701

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2014

	PROGRAM SERVICES						<i>Management and General</i>	<i>Total Expenses</i>
	<i>Fall Baseball</i>	<i>Spring Baseball</i>	<i>Summer Basketball</i>	<i>Winter Basketball</i>	<i>Flag Football</i>	<i>Soccer</i>		
Contract labor								
Administration	\$ 526	\$ 6,356	\$ 396	\$ 2,833	\$ 480	\$ -	\$ 19,369	\$ 29,960
Concessions	6,842	22,012	-	-	5,745	-	-	34,599
Custodians and security	-	-	-	1,100	22	-	-	1,122
Field and facilities maintenance	14,888	29,318	-	-	6,031	-	-	50,237
Gym and field monitors	-	-	612	41,719	569	-	-	42,900
Coaches and instructors	-	5,050	-	4,665	400	-	-	10,115
Referees and umpires	11,169	47,737	9,184	106,522	23,459	2,309	-	200,380
Clinics expense	6,578	-	-	-	262	-	-	6,840
Director's compensation	-	-	-	-	-	-	64,928	64,928
Salaries, other	-	-	-	-	-	-	112,450	112,450
Taxes, licenses and permits	-	181	-	-	-	-	14,684	14,865
Advertising and promotions	1,852	2,885	-	5,449	800	-	9,501	20,487
Registration and management fees	1,984	7,769	1,059	11,668	4,709	529	1,753	29,471
Donations	-	-	-	-	-	-	1,205	1,205
Computer expenses	-	-	-	-	-	-	6,017	6,017
Concession expenses	9,593	55,286	-	-	9,837	100	-	74,816
Depreciation	-	-	-	-	-	-	17,095	17,095
Dues, fees and subscriptions	-	2,470	-	-	-	-	1,583	4,053
Gasoline	576	1,641	-	437	355	-	2,731	5,740
Gymnasium and field rentals	4,000	4,570	11,840	53,115	2,600	-	-	76,125
Insurance	-	-	-	-	-	-	20,172	20,172
Professional fees	-	-	-	-	-	-	5,120	5,120
Meals and entertainment	-	2,487	-	125	3,367	-	2,146	8,125
Office expenses	-	25	-	169	-	1,204	2,623	4,021
Meetings expense	-	4,497	-	3,069	-	-	2,180	9,746
Printing and reproduction	1,204	-	596	7,815	2,844	162	2,002	14,623
Repairs and maintenance	10,321	25,848	-	6,395	173	4,970	836	48,543
Supplies	1,948	13,148	-	2,641	425	871	3,988	23,021
Team and tournament sponsorships	-	4,855	-	-	-	-	1,785	6,640
Trophies and medallions	505	8,842	-	10,298	4,110	-	-	23,755
Uniforms	4,505	51,395	4,059	33,034	26,685	5,601	3,620	128,899
Utilities	62	-	-	-	62	-	13,812	13,936
Other expenses	64	-	-	82	20	-	390	556
	<u>\$ 76,617</u>	<u>\$ 296,372</u>	<u>\$ 27,746</u>	<u>\$ 291,136</u>	<u>\$ 92,955</u>	<u>\$ 15,746</u>	<u>\$ 309,990</u>	<u>\$ 1,110,562</u>

See accompanying notes to financial statements.