

WEST NASHVILLE SPORTS LEAGUE, INC.
NASHVILLE, TENNESSEE

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

DECEMBER 31, 2013

R. SCOTT DIXON

CERTIFIED PUBLIC ACCOUNTANT

812 18TH Avenue, South #12
P.O. Box 330941
Nashville, Tennessee 37203

Telephones: Music Row (615) 256-2260
Harding Road (615) 385-5081

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, 2013, 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.
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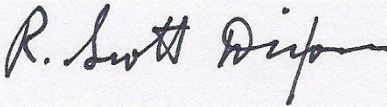
Independent Auditor's Report, continued

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, 2013, 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.

A rectangular box containing a handwritten signature in black ink. The signature is written in a cursive style and appears to read "R. Scott Dixon".

Nashville, Tennessee
June 23, 2014

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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 lacrosse. 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.

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, 2013

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 temporarily restricted by donors in the amount of \$42,178 for the construction of lights and other improvements 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.

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, 2010, 2011 and 2012 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 2013, in the amount of \$42,178, are related to funds raised to construct lights and other improvements on baseball fields 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 2013 is restricted for payment of the construction project.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2013

NOTE 3. DEFERRED PROGRAM SERVICE REVENUE AND PREPAID EXPENSES

Deferred program service revenue in the amount of \$287,062 are funds received during the year ended December 31, 2013, 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 \$37,261 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, and \$2,000 was paid to the Church during 2013. 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, and accounts receivable 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 23, 2014, 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, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	439,362
Accounts receivable, trade		7,953
Prepaid costs and expenses --		
Program service costs (Note 3)		37,261
Insurance		13,003

Total current assets		497,579
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EQUIPMENT AND MACHINERY

Automotive equipment		19,345
Baseball field equipment		119,100
Field improvements		20,871
Flag football equipment		3,765
Office and computer equipment		14,307

177,388

Less: accumulated depreciation		127,625
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Equipment and machinery, net		49,763
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LONG-TERM ASSETS

Cash restricted for capital project (Note 2)		42,178
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Total assets		\$ 589,520
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable, trade	\$	14,865
Deferred program service revenue (Note 3)		287,062

Total current liabilities		301,927
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NET ASSETS

Unrestricted		245,415
Temporarily restricted (Note 2)		42,178

Total net assets		287,593
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Total liabilities and net assets		\$ 589,520
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See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

	<u>Unrestricted</u>	<i>Temporarily</i> <u>Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support, sponsorships and contributions	\$ 46,225	\$ 8,340	\$ 54,565
Net fund-raising events income, Warner Park lights	-	12,481	12,481
Interest income	477	-	477
Other non-program revenue	1,706	-	1,706
Program services, net --			
Baseball, fall	56,331	-	56,331
Baseball, spring	343,195	-	343,195
Basketball, summer	35,276	-	35,276
Basketball, winter	489,006	-	489,006
Flag football	164,054	-	164,054
Lacrosse	3,885	-	3,885
	<hr/>	<hr/>	<hr/>
Total support and revenue	1,140,155	20,821	1,160,976
EXPENSES			
Program services --			
Baseball, fall	62,916	-	62,916
Baseball, spring	245,122	-	245,122
Basketball, summer	22,742	-	22,742
Basketball, winter	318,738	-	318,738
Flag football	73,277	-	73,277
Lacrosse	2,455	-	2,455
Supporting services --			
Management and general	298,591	-	298,591
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Total expenses	1,023,841	-	1,023,841
Increase in net assets	116,314	20,821	137,135
NET ASSETS, December 31, 2012	<hr/>	<hr/>	<hr/>
	129,101	21,357	150,458
NET ASSETS, December 31, 2013	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 245,415	\$ 42,178	\$ 287,593

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets	\$ 137,135
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	20,862
(Increase) in accounts receivable, trade	(7,953)
Decrease in prepaid program service costs	10,602
(Increase) in prepaid insurance	(645)
(Decrease) in accounts payable, trade	(17,646)
(Decrease) in deferred program service revenue	(78,821)
Less: cash restricted for capital project, Warner Park lights	
Contributions	(8,340)
Net fund-raising events income	(12,481)
Net cash provided by operating activities	<u>42,713</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisitions of equipment and machinery	<u>(21,955)</u>
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INCREASE IN CASH

20,758

CASH AND CASH EQUIVALENTS, December 31, 2012

418,604

CASH AND CASH EQUIVALENTS, December 31, 2013

\$ 439,362

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2013

	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>Lacrosse</i>		
Contract labor								
Administration	\$ -	\$ 1,897	\$ -	\$ 2,110	\$ 1,090	\$ -	\$ 89,087	\$ 94,184
Concessions	4,314	18,393	-	-	3,588	-	-	26,295
Custodians and security	364	-	-	1,350	631	-	-	2,345
Field and facilities maintenance	6,540	24,293	-	100	1,070	-	-	32,003
Gym and field monitors	-	390	2,846	43,707	633	-	-	47,576
Coaches and instructors	2,950	5,845	1,300	4,300	-	2,200	-	16,595
Referees and umpires	9,700	44,447	10,116	117,106	19,841	-	-	201,210
Clinics expense	3,000	-	-	-	-	-	-	3,000
Director's compensation	-	-	-	-	-	-	60,352	60,352
Salaries, other	-	-	-	-	-	-	30,162	30,162
Taxes and licenses	-	-	-	-	-	-	8,555	8,555
Advertising and promotions	625	2,173	-	3,155	519	-	10,001	16,473
Registration and management fees	1,575	8,059	1,296	13,952	4,676	155	-	29,713
Donations	-	-	-	-	-	-	2,500	2,500
Computer expenses	-	-	-	-	-	-	3,974	3,974
Concession expenses	7,907	40,189	-	-	7,376	-	-	55,472
Depreciation	-	-	-	-	-	-	20,862	20,862
Dues, fees and subscriptions	-	4,571	-	-	-	-	789	5,360
Gasoline	955	2,038	-	1,013	418	-	2,097	6,521
Gymnasium and field rentals	5,000	5,000	1,440	61,839	1,841	-	-	75,120
Insurance	-	-	-	-	-	-	18,772	18,772
Professional fees	-	-	-	-	-	-	5,055	5,055
Meals and entertainment	-	-	-	-	-	-	902	902
Office expenses	-	-	-	528	-	-	9,116	9,644
Meetings expense	-	-	-	2,905	-	-	1,806	4,711
Printing and reproduction	2,262	6,090	1,942	8,247	2,409	100	9,327	30,377
Repairs and maintenance	1,545	26,416	-	-	119	-	5,695	33,775
Supplies	3,204	1,784	-	2,487	1,541	-	4,258	13,274
Team sponsorships	-	3,323	-	2,000	-	-	-	5,323
Trophies and medallions	450	7,026	-	13,953	4,044	-	-	25,473
Uniforms	12,525	43,150	3,802	39,656	23,481	-	-	122,614
Utilities	-	-	-	-	-	-	15,185	15,185
Other expenses	-	38	-	330	-	-	96	464
	<u>\$ 62,916</u>	<u>\$ 245,122</u>	<u>\$ 22,742</u>	<u>\$ 318,738</u>	<u>\$ 73,277</u>	<u>\$ 2,455</u>	<u>\$ 298,591</u>	<u>\$ 1,023,841</u>

See accompanying notes to financial statements.