

WEST NASHVILLE SPORTS LEAGUE, INC.
NASHVILLE, TENNESSEE

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

DECEMBER 31, 2018

WEST NASHVILLE SPORTS LEAGUE, INC.
TABLE OF CONTENTS
DECEMBER 31, 2018

Independent Auditors' Report.....	3-4
Statement of Financial Position.....	5
Statement of Activities.....	6
Statement of Functional Expenses, Year Ended December 31, 2018.....	7
Statement of Functional Expenses, Year Ended December 31, 2017.....	8
Statement of Cash Flows.....	9
Notes to Financial Statements.....	10-14

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Independent Auditors' Report

To Management and 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 statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years 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.

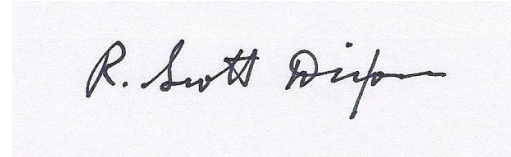
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Independent Auditors' Report, continued

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Nashville, Tennessee
November 8, 2019

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

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 seven programs in five sports consisting of winter basketball, summer basketball, spring baseball, fall baseball, flag football, indoor soccer, and junior golf. 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 AND PROMISES TO GIVE

Promises to give are recognized as contributions when the donor makes a promise to give that is, in substance, unconditional. Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without 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 recommendations and requirements of the *Not-for-Profit Entities* Topic of the FASB Accounting Standards Codification. Pursuant to the Topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2018 and 2017

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

OTHER RECEIVABLES CURRENTLY DUE

Other receivables are shown at their net realizable value. The receivables represent overpaid premiums on an existing insurance policy and 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.

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

The Organization capitalizes acquisitions of equipment, machinery and improvements of at least \$200. Lesser amounts are expensed. Purchased equipment, machinery and improvements are capitalized at cost or, if donated, at their estimated fair value. Equipment, machinery and improvements include improvements that significantly add to utility or extend useful lives. Costs of maintenance and repairs are charged to expense as incurred.

Donations of equipment, machinery and improvements are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment, machinery and improvements are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation for furniture and equipment is provided using an accelerated method over estimated useful lives of 5 or 7 years. Depreciation for field improvements is provided using the straight-line method over an estimated useful life of 31.5 years.

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.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2018 and 2017

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

SHIPPING AND HANDLING COSTS

Shipping and handling costs are included in costs of administering programs and management activities and are not separately stated or included elsewhere in the financial statements.

INCOME TAX STATUS

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, 2015, 2016 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 2. DEFERRED PROGRAM SERVICE REVENUE AND PREPAID EXPENSES

Deferred program service revenue in the amount of \$407,093 and \$355,880, respectively, are funds received during the years ended December 31, 2018 and 2017, for the Organization's sports programs that commence and will be performed in their entirety during the immediately succeeding year. Prepaid program service costs and facilities deposits in the amount of \$91,204 and \$81,752, respectively, are amounts expended during the years ended December 31, 2018 and 2017, for use in the service programs through which the deferred revenue is realized. Accordingly, deferred revenue and related prepaid costs are recognized in the statements 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 statements of activities for the years ended December 31, 2018 and 2017 because the criteria for recognition of such volunteer effort under FASB ASC 958 have not been satisfied.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2018 and 2017

NOTE 4. DONATED SERVICES, MATERIALS AND FACILITIES, continued

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 and flag football 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 and flag football 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 as part of support, sponsorships and contributions, and program service expenses in the statements of activities for 2018 and 2017 to reflect the fair value of use of the donated facilities.

NOTE 5. RELATED PARTY TRANSACTIONS – MIRACLE LEAGUE

The Organization's president and executive director is an officer in the same capacities with Miracle League of Music City (Miracle League). Miracle League was granted recognition as an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code with the Internal Revenue Service on June 8, 2017. West Nashville Sports League has assisted in organization and fundraising efforts for the benefit of Miracle League. Expenses for such efforts in the amount of \$7,111 and \$3,604 for the years ended December 31, 2018 and 2017, respectively, are included as donations and supporting service expenses on the statement of activities. As of December 31, 2018, the Organization has raised \$41,569 from supporters and the general public for the direct benefit of Miracle League, and has transferred \$35,617 of the total amount raised to the Miracle League. The remaining amount of \$5,952 is included as intermediary receipts payable on the statement of financial position.

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 statements 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.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2018 and 2017

NOTE 8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of December 31, 2018 and 2017, respectively, without donor-imposed restrictions within one year of the statement of financial position:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 612,144	\$ 517,834
Other receivables, currently due	2,128	2,796
Overpaid payroll taxes	<u>686</u>	<u>168</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 614,958</u>	<u>\$ 520,798</u>

As part of the Organization’s liquidity management, it invests cash in excess of daily requirements in an interest bearing, short-term money market investment account, which is a cash equivalent.

NOTE 9. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 8, 2019, 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, 2018 and 2017

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 612,444	\$ 517,834
Other receivables currently due	2,128	2,796
Overpaid payroll taxes	686	168
Prepaid costs and expenses --		
Program service costs (Note 2)	72,734	64,634
Facilities deposits, basketball programs (Note 2)	18,470	17,118
Insurance	21,869	26,133
Total current assets	728,331	628,683
EQUIPMENT AND MACHINERY		
Automotive equipment	16,420	16,420
Baseball field equipment	114,736	101,178
Field improvements	86,593	86,593
Flag football equipment	1,750	1,750
Office and computer equipment	28,509	28,509
	248,008	234,450
Less: accumulated depreciation	154,219	140,714
Equipment and machinery, net	93,789	93,736
 Total assets	 \$ 822,120	 \$ 722,419
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable, trade	\$ 17,922	\$ 32,933
Accrued salaries	2,585	1,687
Intermediary receipts payable --		
Contributions for benefit of Miracle League (Note 5)	5,952	30,133
Payroll taxes payable	71	1,114
Deferred program service revenue (Note 2)	407,093	355,880
Total current liabilities	433,623	421,747
 NET ASSETS, without donor restrictions	 388,497	 300,672
 Total liabilities and net assets	 \$ 822,120	 \$ 722,419

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF ACTIVITIES
For the Years Ended December 31, 2018 and 2017

	<u>For the Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Support, sponsorships and contributions	\$ 60,062	\$ 63,431
Other income	643	10,536
Program service revenue, net --		
Baseball, fall	88,659	67,502
Baseball, spring	353,513	334,420
Basketball, summer	60,823	75,404
Basketball, winter	483,102	436,667
Flag football	259,734	266,976
Indoor soccer	57,333	29,315
Junior golf	8,320	5,403
Total support and revenue without donor restrictions	1,372,189	1,289,654
PROGRAM AND SUPPORTING EXPENSES		
Program service expenses --		
Baseball, fall	69,694	61,806
Baseball, spring	243,540	224,868
Basketball, summer	48,395	59,379
Basketball, winter	339,812	294,923
Flag football	143,606	142,620
Indoor soccer	20,002	14,409
Junior golf	1,118	1,272
Supporting service expenses --		
Management and general	418,197	466,502
Total program and supporting expenses	1,284,364	1,265,779
OTHER LOSSES		
Loss on disposition of machinery and equipment	-	(2,843)
Increase in net assets without donor restrictions	87,825	21,032
NET ASSETS, beginning of the year	300,672	279,640
NET ASSETS, end of the year	\$ 388,497	\$ 300,672

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

	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>Indoor Soccer</i>	<i>Junior Golf</i>		
Contract labor									
Administration	\$ -	\$ 213	\$ -	\$ 2,569	\$ -	\$ -	\$ -	\$ -	\$ 2,782
Custodians and security	1,050	480	-	925	1,290	-	-	-	3,745
Field and facilities maintenance	127	1,255	-	-	-	-	-	-	1,382
Gate, gym and field monitors	-	3,719	-	490	-	-	-	-	4,209
Coaches and instructors	-	2,000	-	3,220	800	-	-	-	6,020
Referees and umpires	11,121	41,605	16,654	118,451	37,675	7,238	-	-	232,744
Director's compensation	-	-	-	-	-	-	-	65,291	65,291
Salaries, other	6,785	40,366	533	44,924	4,374	-	-	219,258	316,240
Taxes, licenses and permits	646	3,335	46	3,854	361	-	287	22,468	30,997
Advertising and promotions	641	300	-	1,697	1,791	146	-	4,717	9,292
Background checks	-	1,470	825	2,842	2,899	434	-	-	8,470
Registration, bank and management fees	2,106	8,507	2,185	13,070	7,378	4,166	141	1,368	38,921
Donations	-	-	-	-	-	-	-	7,116	7,116
Computer expenses	-	-	-	-	-	-	-	6,353	6,353
Concession expenses	12,544	38,178	-	-	29,490	-	-	109	80,321
Depreciation	-	-	-	-	-	-	-	13,505	13,505
Dues, fees and subscriptions	-	1,442	-	47	-	-	205	1,363	3,057
Gasoline	867	1,436	-	1,060	1,154	-	-	-	4,517
Gymnasium and field rentals	4,000	6,780	12,710	50,244	20,647	160	-	-	94,541
Insurance	-	-	-	-	-	-	-	30,575	30,575
Professional fees	-	-	-	-	-	-	-	5,500	5,500
Meals and entertainment	41	200	-	725	-	-	-	9,802	10,768
Office expenses	-	158	-	625	-	-	-	4,380	5,163
Meetings expense	-	2,679	1,399	9,187	2,944	-	-	602	16,811
Printing and reproduction	1,537	1,009	534	7,844	2,149	1,440	-	214	14,727
Repairs and maintenance	9,215	15,407	-	202	2,450	-	-	3,164	30,438
Storage	-	-	-	-	-	-	-	6,150	6,150
Supplies	5,055	11,477	-	3,254	5,106	355	-	540	25,787
Team and tournament sponsorships	90	2,704	-	-	1,057	-	-	-	3,851
Trophies and medallions	300	5,713	-	11,510	4,625	-	-	-	22,148
Uniforms	11,043	46,659	13,509	63,037	17,116	6,063	485	-	157,912
Utilities and telephone	2,376	4,657	-	-	-	-	-	15,145	22,178
Other expenses	150	1,791	-	35	300	-	-	577	2,853
Total functional expenses	<u>\$ 69,694</u>	<u>\$ 243,540</u>	<u>\$ 48,395</u>	<u>\$ 339,812</u>	<u>\$ 143,606</u>	<u>\$ 20,002</u>	<u>\$ 1,118</u>	<u>\$ 418,197</u>	<u>\$ 1,284,364</u>

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

PROGRAM SERVICES

	<i>Fall</i> <i>Baseball</i>	<i>Spring</i> <i>Baseball</i>	<i>Summer</i> <i>Basketball</i>	<i>Winter</i> <i>Basketball</i>	<i>Flag</i> <i>Football</i>	<i>Indoor</i> <i>Soccer</i>	<i>Junior</i> <i>Golf</i>	<i>Management</i> <i>and General</i>	<i>Total</i> <i>Expenses</i>
Contract labor									
Administration	\$ -	\$ -	\$ -	\$ 296	\$ -	\$ -	\$ -	\$ -	\$ 296
Concessions	6,771	19,128	-	-	2,713	-	-	-	28,612
Custodians and security	1,453	-	-	1,325	1,453	-	-	-	4,231
Field and facilities maintenance	4,388	9,442	-	-	-	-	-	-	13,830
Gym and field monitors	-	1,069	970	40,090	3,109	-	-	-	45,238
Coaches and instructors	-	2,065	-	4,292	1,200	-	-	-	7,557
Referees and umpires	11,062	39,587	19,339	107,520	34,364	5,014	-	-	216,886
Other contract labor	-	-	-	2,770	-	-	-	-	2,770
Director's compensation	-	-	-	-	-	-	-	76,317	76,317
Salaries, other	-	-	-	-	-	-	-	232,181	232,181
Taxes, licenses and permits	-	-	-	-	-	-	-	25,856	25,856
Advertising and promotions	250	-	-	1,009	250	-	-	7,126	8,635
Background checks	330	710	-	1,980	3,159	158	-	-	6,337
Registration, bank and management fees	1,738	7,912	2,284	12,801	7,527	2,206	184	1,559	36,211
Donations	-	-	-	-	-	-	-	10,567	10,567
Computer expenses	-	-	-	-	-	-	-	9,407	9,407
Concession expenses	11,200	36,701	-	-	30,922	-	-	311	79,134
Depreciation	-	-	-	-	-	-	-	13,973	13,973
Dues, fees and subscriptions	-	2,291	-	-	-	-	-	2,181	4,472
Gasoline	586	1,239	-	1,059	1,416	-	-	626	4,926
Gymnasium and field rentals	4,000	3,785	21,000	47,867	16,096	-	865	-	93,613
Insurance	-	-	-	-	-	-	-	33,919	33,919
Professional fees	-	-	-	-	-	-	-	5,500	5,500
Meals and entertainment	-	2,854	-	564	2,946	-	-	6,629	12,993
Office expenses	-	-	-	1,340	-	-	-	3,067	4,407
Meetings expense	-	-	537	4,698	766	-	-	2,876	8,877
Printing and reproduction	1,337	814	886	4,640	1,942	2,255	-	1,301	13,175
Repairs and maintenance	6,923	11,491	-	-	4,329	-	-	5,658	28,401
Storage	-	-	-	-	-	-	-	4,178	4,178
Supplies	2,265	9,618	-	4,070	2,475	-	-	1,602	20,030
Team and tournament sponsorships	612	612	-	-	216	-	-	216	1,656
Trophies and medallions	-	3,977	-	10,131	3,427	620	-	-	18,155
Uniforms	5,502	63,597	14,363	47,966	24,049	4,156	223	1,119	160,975
Utilities and telephone	3,339	7,976	-	-	211	-	-	13,582	25,108
Other expenses	50	-	-	505	50	-	-	6,751	7,356
Total functional expenses	<u>\$ 61,806</u>	<u>\$ 224,868</u>	<u>\$ 59,379</u>	<u>\$ 294,923</u>	<u>\$ 142,620</u>	<u>\$ 14,409</u>	<u>\$ 1,272</u>	<u>\$ 466,502</u>	<u>\$ 1,265,779</u>

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017

	<i><u>For the Year Ended December 31,</u></i>	
	<u>2018</u>	<u>2017</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 87,825	\$ 21,032
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	13,505	13,973
Loss on disposition of machinery and equipment	-	2,843
Cash received as intermediary for benefit of Miracle League	11,436	716
Cash paid as intermediary to Miracle League	(35,617)	-
(Increase) in overpaid payroll taxes	(518)	(168)
(Increase) decrease in other receivables currently due	668	(1,339)
(Increase) in prepaid program service costs	(9,452)	(19,858)
(Increase) decrease in prepaid insurance	4,264	(2,234)
Increase (decrease) in accounts payable, trade	(15,011)	9,246
Increase (decrease) in accrued salaries	898	(797)
Increase (decrease) in payroll taxes payable	(1,043)	1,093
Increase in deferred program service revenue	51,213	20,360
Net cash provided by operating activities	<u>108,168</u>	<u>44,867</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for equipment and machinery	<u>(13,558)</u>	<u>(8,057)</u>
INCREASE IN CASH	94,610	36,810
CASH AND CASH EQUIVALENTS, beginning of the year	<u>517,834</u>	<u>481,024</u>
CASH AND CASH EQUIVALENTS, end of the year	<u><u>\$ 612,444</u></u>	<u><u>\$ 517,834</u></u>

See accompanying notes to financial statements.