

WEST NASHVILLE SPORTS LEAGUE, INC.

FINANCIAL STATEMENTS
AND
ACCOMPANYING AUDITOR'S REPORT

DECEMBER 31, 2022 AND 2021

WEST NASHVILLE SPORTS LEAGUE, INC.
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Nashville Sports League, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about West Nashville Sports League, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

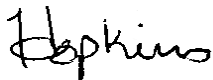
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 West Nashville Sports League, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Nashville Sports League, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in cursive script that reads "Hopkins".

Nashville, Tennessee
August 04, 2023

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2022 and 2021

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,229,905	\$ 960,689
Other receivables currently due	4,083	718
Prepaid costs and expenses --		
Program service costs (Note 2)	32,894	85,582
Facilities deposits, basketball programs (Note 2)	2,000	18,470
Insurance	22,056	21,208
Total current assets	<u>1,290,938</u>	<u>1,086,667</u>
EQUIPMENT AND MACHINERY		
Automotive equipment	18,469	18,469
Baseball field equipment	121,488	121,488
Field improvements	125,982	125,982
Flag football equipment/improvements	13,505	13,505
Office and computer equipment	28,509	28,509
Building/Shed	86,801	86,801
	<u>394,754</u>	<u>394,754</u>
Less: accumulated depreciation	<u>(211,589)</u>	<u>(191,034)</u>
Equipment and machinery, net	<u>183,165</u>	<u>203,720</u>
 Total assets	 <u>\$ 1,474,103</u>	 <u>\$ 1,290,387</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable, trade	-	30,214
Accrued salaries	3,303	2,566
Intermediary receipts payable --		
Contributions for benefit of Miracle League (Note 5)	11,653	9,424
Payroll taxes payable	5,037	4,419
PPP Loan	-	-
Deferred program service revenue (Note 2)	482,814	422,667
Total current liabilities	<u>502,807</u>	<u>469,290</u>
 NET ASSETS, with donor restrictions	 -	 -
NET ASSETS, without donor restrictions	<u>971,296</u>	<u>821,100</u>
 Total liabilities and net assets	 <u>\$ 1,474,103</u>	 <u>\$ 1,290,390</u>

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2022 and 2021

	<i><u>For the Year Ended December 31,</u></i>	
	<i><u>2022</u></i>	<i><u>2021</u></i>
SUPPORT AND REVENUE		
Support, sponsorships and contributions	\$ 65,889	\$ 58,383
PPP Loan Forgiveness	-	166,957
Interest Income	9,900	-
Other income	590	2,500
Program service revenue, net --		
Baseball, fall	108,901	97,198
Baseball, spring	355,014	365,323
Basketball, summer/fall	219,588	231,306
Basketball, winter	473,002	414,794
Flag football	439,654	439,881
Indoor soccer	192,148	128,755
Softball	103,355	30,228
Junior golf	3,862	5,105
Total support and revenue without donor restrictions	<u>1,971,903</u>	<u>1,940,430</u>
PROGRAM AND SUPPORTING EXPENSES		
Program service expenses --		
Baseball, fall	86,198	85,734
Baseball, spring	288,502	260,062
Basketball, summer/fall	179,690	136,691
Basketball, winter	365,555	267,456
Flag football	254,555	214,810
Indoor soccer	123,333	89,706
Softball	44,035	11,531
Junior golf	904	2,021
Miracle League Donations	984	6,892
Supporting service expenses --		
Management and general	477,951	448,533
Total program and supporting expenses	<u>1,821,707</u>	<u>1,523,436</u>
Increase in net assets without donor restrictions	150,196	416,994
NET ASSETS, beginning of the year	<u>821,100</u>	<u>404,106</u>
NET ASSETS, end of the year	<u>\$ 971,296</u>	<u>\$ 821,100</u>
As shown on Statement of Position		
NET ASSETS, with donor restrictions	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS, without donor restrictions	<u>\$ 971,296</u>	<u>\$ 821,100</u>

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	<i><u>For the Year Ended December 31,</u></i>	
	<u>2022</u>	<u>2021</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 150,196	\$ 416,994
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	20,555	12,551
Cash paid as intermediary to Miracle League	2,229	(43,405)
(Increase) decrease in other receivables currently due	(3,365)	-
(Increase) in prepaid program service costs	52,688	(55,940)
(Increase) decrease in prepaid insurance	(845)	(1,007)
(Increase) decrease in program service deposits	16,470	-
Increase (decrease) in accounts payable, trade	(30,214)	10,248
Increase (decrease) in accrued salaries	737	-
Increase (decrease) in payroll taxes payable	618	4,370
Increase in deferred program service revenue	60,147	122,640
	<hr/>	<hr/>
Net cash provided by operating activities	269,216	466,451
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for building and equipment	-	(28,409)
	<hr/>	<hr/>
Net cash provided by investing activities	-	(28,409)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings/(Forgiveness) of PPP Loan	-	(82,700)
	<hr/>	<hr/>
Net cash provided by financing activities	-	(82,700)
	<hr/>	<hr/>
INCREASE IN CASH	269,216	355,342
 CASH AND CASH EQUIVALENTS, beginning of the year	<hr/>	<hr/>
	960,689	605,347
 CASH AND CASH EQUIVALENTS, end of the year	<hr/>	<hr/>
	\$ 1,229,905	\$ 960,689
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See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

PROGRAM SERVICES

	Fall Baseball	Spring Baseball	Summer/Fall Basketball	Winter Basketball	Flag Football	Indoor Soccer	Softball	Junior Golf	Miracle League Donations	Management and General	Total Expenses
Contract labor											
Administration	\$ -	\$ -	\$ -	\$ 38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38
Custodians and security	\$ 2,207	\$ 2,426	\$ -	\$ 500	\$ 4,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,335
Field and facilities maintenance	\$ -	\$ 448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 448
Gate, gym and field monitors	\$ -	\$ -	\$ 1,422	\$ 6,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,621
Coaches and instructors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125
Referees and umpires	\$ 14,888	\$ 44,468	\$ 54,827	\$ 119,005	\$ 66,074	\$ 12,306	\$ 2,164	\$ -	\$ -	\$ -	\$ 313,732
Director's compensation	\$ 3,386	\$ 6,473	\$ 2,528	\$ 6,874	\$ 2,945	\$ 353	\$ 250	\$ -	\$ -	\$ 56,371	\$ 79,180
Salaries, other	\$ 17,784	\$ 33,998	\$ 13,275	\$ 36,110	\$ 15,464	\$ 1,851	\$ 1,310	\$ -	\$ -	\$ 296,065	\$ 415,857
Taxes, licenses and permits	\$ 3,638	\$ 3,995	\$ 1,950	\$ 5,541	\$ 3,440	\$ 184	\$ 128	\$ -	\$ -	\$ 26,916	\$ 45,792
Advertising and promotions	\$ 139	\$ (160)	\$ -	\$ 2,316	\$ 1,186	\$ (15)	\$ -	\$ -	\$ -	\$ 6,213	\$ 9,679
Background checks	\$ 495	\$ 54	\$ 2,236	\$ 3,346	\$ 2,035	\$ 1,931	\$ 214	\$ -	\$ -	\$ -	\$ 10,311
Registration, bank and management fees	\$ 3,296	\$ 9,427	\$ 6,930	\$ 11,347	\$ 13,673	\$ 4,305	\$ 3,217	\$ 131	\$ -	\$ 1,220	\$ 53,546
Donations	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 884	\$ 24,354	\$ 28,238
Computer expenses	\$ 211	\$ 1,428	\$ -	\$ 281	\$ 557	\$ -	\$ -	\$ -	\$ -	\$ 8,978	\$ 11,455
Concession expenses	\$ 12,934	\$ 41,353	\$ 99	\$ -	\$ 41,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,515
Depreciation	\$ 2,925	\$ 12,724	\$ -	\$ 138	\$ 4,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,554
Dues, fees and subscriptions	\$ -	\$ 1,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,355	\$ 3,222
Gasoline	\$ 932	\$ 2,367	\$ 1,335	\$ 306	\$ 1,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,922
Gymnasium and field rentals	\$ 525	\$ 9,570	\$ 17,531	\$ 91,890	\$ 21,632	\$ 69,600	\$ 1,550	\$ -	\$ -	\$ 138	\$ 212,436
Insurance	\$ (212)	\$ (212)	\$ (212)	\$ (1,278)	\$ (211)	\$ -	\$ -	\$ -	\$ -	\$ 36,396	\$ 34,271
Professional fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,355	\$ 8,355
Meals and entertainment	\$ 32	\$ 2,183	\$ -	\$ 1,160	\$ -	\$ (225)	\$ -	\$ -	\$ -	\$ 92	\$ 3,242
Office expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ 300
Meetings expense	\$ -	\$ -	\$ -	\$ 108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 352	\$ 460
Printing and reproduction	\$ 1,012	\$ 2,352	\$ 1,384	\$ 8,793	\$ 2,722	\$ 2,923	\$ 989	\$ -	\$ -	\$ 1,417	\$ 21,592
Repairs and maintenance	\$ 9,531	\$ 27,947	\$ 35	\$ (420)	\$ 3,007	\$ 39	\$ -	\$ -	\$ -	\$ 2,419	\$ 42,558
Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ (141)	\$ 12,941	\$ 234	\$ 5,444	\$ 1,786	\$ 1,000	\$ 2,749	\$ -	\$ -	\$ 1,809	\$ 25,822
Team and tournament sponsorships	\$ -	\$ 645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 745
Trophies and medallions	\$ 298	\$ 4,677	\$ 937	\$ 3,968	\$ 5,191	\$ (4)	\$ 701	\$ -	\$ -	\$ -	\$ 15,768
Uniforms	\$ 7,127	\$ 58,601	\$ 75,129	\$ 62,584	\$ 57,433	\$ 29,085	\$ 30,763	\$ 773	\$ -	\$ 2,067	\$ 323,562
Utilities and telephone	\$ 5,191	\$ 8,930	\$ -	\$ 640	\$ 2,541	\$ -	\$ -	\$ -	\$ -	\$ 3,905	\$ 21,207
Other expenses	\$ -	\$ -	\$ 50	\$ 540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (771)	\$ (181)
Total functional expenses	\$ 86,198	\$ 288,502	\$ 179,690	\$ 365,555	\$ 254,555	\$ 123,333	\$ 44,035	\$ 904	\$ 984	\$ 477,951	\$ 1,821,707

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

PROGRAM SERVICES

	Fall Baseball	Spring Baseball	Summer/Fall Basketball	Winter Basketball	Flag Football	Indoor Soccer	Softball	Junior Golf	Miracle League Donations	Management and General	Total Expenses
Contract labor											
Administration	\$ -	\$ -	\$ -	\$ 173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173
Custodians and security	1,982	1,176	-	1,100	3,158	-	-	-	-	-	7,416
Field and facilities maintenance	276	800	-	-	-	-	-	-	-	-	1,076
Gate, gym and field monitors	-	2,077	561	2,892	-	-	-	-	-	-	5,530
Coaches and instructors	-	-	-	40	-	-	-	-	-	-	40
Other	300	-	-	-	-	-	-	-	-	-	300
Referees and umpires	13,550	42,910	51,125	80,382	61,282	8,231	1,600	-	-	-	259,080
Director's compensation	3,446	10,454	5,495	10,749	8,635	3,466	446	78	-	35,822	78,591
Salaries, other	12,055	26,075	5,611	28,067	5,216	-	-	-	-	323,365	400,389
Taxes, licenses and permits	-	2,955	883	-	-	-	-	-	260	268	4,366
Advertising and promotions	1,265	897	75	1,290	9,400	1,806	-	590	-	1,805	17,128
Background checks	588	818	777	2,077	2,176	639	150	-	-	28	7,253
Registration, bank and management fees	2,859	8,778	6,700	12,044	13,065	4,731	954	153	653	822	50,759
Donations	-	-	-	-	-	-	-	-	5,222	1,200	6,422
Computer expenses	992	1,932	-	467	1,063	-	-	-	-	4,283	8,737
Concession expenses	13,592	47,245	-	100	36,549	60	-	-	-	-	97,546
Depreciation	-	-	-	-	-	-	-	-	-	12,551	12,551
Dues, fees and subscriptions	-	2,792	-	-	-	-	-	-	-	1,446	4,238
Gasoline	1,412	2,132	148	806	584	-	-	-	-	1,000	6,082
Gymnasium and field rentals	4,380	4,200	21,300	77,973	11,300	52,348	938	1,200	-	-	173,639
Insurance	-	-	-	-	-	-	-	-	-	28,221	28,221
Professional fees	-	-	-	-	-	-	-	-	-	7,650	7,650
Meals and entertainment	-	591	-	1,373	-	225	-	-	219	3,355	5,763
Office expenses	-	-	-	1,504	41	-	-	-	142	7,112	8,799
Meetings expense	-	-	-	309	-	-	-	-	-	-	309
Printing and reproduction	1,936	2,588	17	885	1,707	1,152	306	-	246	855	9,692
Repairs and maintenance	18,747	11,491	-	766	2,656	-	-	-	-	5,876	39,536
Storage	-	-	-	-	-	-	-	-	-	-	-
Supplies	2,743	13,766	25	5,546	782	289	22	-	-	872	24,045
Team and tournament sponsorships	301	-	-	-	(773)	-	-	-	-	-	(472)
Trophies and medallions	811	3,717	2,560	5,449	1,973	1,085	217	-	-	-	15,812
Uniforms	352	63,314	40,986	33,035	53,165	14,816	4,116	-	-	92	209,876
Utilities and telephone	4,147	8,854	429	429	2,831	858	-	-	-	8,613	26,161
Other expenses	-	500	-	-	-	-	2,782	-	150	3,297	6,729
Total functional expenses	\$ 85,734	\$ 260,062	\$ 136,691	\$ 267,456	\$ 214,810	\$ 89,706	\$ 11,531	\$ 2,021	\$ 6,892	\$ 448,533	\$ 1,523,436

See accompanying notes to financial statements.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

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. There are no unconditional promises to give at December 31, 2022 and 2021.

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.

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 \$2,500. Lesser amounts are expensed. Purchased equipment, machinery and improvements are

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

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

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. Advertising expenses were \$9,679 for 2022 and \$17,128 for 2021.

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, 2020, 2021 and 2022 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 \$482,814 and \$422,667, respectively, are funds received during the years ended December 31, 2022 and 2021, 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 \$56,950 and \$125,260, respectively, are amounts expended during the years ended December 31, 2022 and 2021, 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.

WEST NASHVILLE SPORTS LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

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. On December 31, 2022 the Organization had \$979,905 of funds in excess of federal insured limits. It is the opinion of management that the solvency of the referenced financial institutions is not of current concern.

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, 2022 and 2021 because the criteria for recognition of such volunteer effort under FASB ASC 958 have not been satisfied.

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 statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

NOTE 6. 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 \$984 and \$6,892 for the years ended December 31, 2022 and 2021, respectively, are included as donations and supporting service expenses on the statement of activities. As of December 31, 2022, the Organization has raised \$179,891 from supporters and the general public for the direct benefit of Miracle League, and has transferred \$168,239 of the total amount raised to the Miracle League. The intermediary receipts payable on the statement of financial position as of December 31, 2022 and 2021 are \$11,653 and \$9,424 , respectively.

Receivable from Director

Credit card purchases in June 2022 personal to the Organization's president and executive director were inadvertently charged to the Organization. This expense, in the amount of \$3,365, is presented on the statement of financial position as a receivable at December 31, 2022.

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
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NOTE 8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of December 31, 2022 and 2021, respectively, without donor-imposed restrictions within one year of the statement of financial position:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,229,905	\$ 960,733
Other receivables, currently due	4,083	718
Less due Miracle League	<u>(11,653)</u>	<u>(9,424)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 952,027</u>	<u>\$ 598,112</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. RECENT ACCOUNTING PRONOUNCEMENTS

In 2022, we adopted Accounting Standards Update (ASU) No. 2016-02, Leases, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. All leases are short-term. Therefore, no disclosure is required as of December 31, 2022. Additionally, management elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, we recognized no right-of-use assets and lease liabilities in its statement of position as of December 31, 2022. The adoption did not result in an effect on amounts reported in the statement of position for the year ended December 31, 2022.

NOTE 10. EVALUATION OF SUBSEQUENT EVENTS

Subsequent events were evaluated for the period following the end of the fiscal year, December 31, 2022 until the issuance of the report August 4th, 2023. No significant events require disclosure.