

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

Columbus, Ohio

Financial Statements
and Supplementary Financial Information and
Related Independent Auditor's Reports
In Accordance With Government
Auditing Standards and Uniform Guidance

For the years ended July 31, 2021 and 2020



SCHNEIDER DOWNS

Big Thinking. Personal Focus.

www.schneiderdowns.com

C O N T E N T S

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position, July 31, 2021 and 2020	3
Statements for the years ended July 31, 2021 and 2020	
Statements of Activities and Change in Net Assets	4
Statements of Functional Expenses	6
Statements of Cash Flows	10
Notes to Financial Statements	12
SUPPLEMENTARY INFORMATION	
Statement of Financial Position by District, July 31, 2021 (With Comparative Totals for 2020)	24
Statement of Activities and Change in Net Assets by District for the year ended July 31, 2021 (With Comparative Totals for 2020)	26
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	31
Independent Auditor’s Report on Compliance For Each Major Program and on Internal Control Over Compliance in Accordance With the Uniform Guidance	33
Schedule of Expenditures of Federal Awards	35
Notes to the Schedule of Expenditures of Federal Awards	36
Schedule of Findings and Questioned Costs	37

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ohio High School Athletic Association
Columbus, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Ohio High School Athletic Association (the Association), which comprise the statements of financial position as of July 31, 2021 and 2020, the related statements of activities and change in net assets, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 controls 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of July 31, 2021 and 2020, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary statement of financial position by district as of July 31, 2021 (with comparative totals for 2020) and the supplementary statement of activities and change in net assets by district for the year ended July 31, 2021 (with comparative totals for 2020) (supplementary information) are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2022, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Schneider Downs & Co., Inc.

Columbus, Ohio
February 10, 2022

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

	July 31	
	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,800,634	\$ 4,860,224
Accounts receivable	784,140	333,646
Prepaid expenses	264,036	108,059
Short-term investments	320,239	820,067
Total Current Assets	<u>12,169,049</u>	<u>6,121,996</u>
LONG-TERM ASSETS		
Investments - building fund	-	381,414
Property and equipment, net	<u>1,217,559</u>	<u>1,320,115</u>
Total Assets	<u><u>\$ 13,386,608</u></u>	<u><u>\$ 7,823,525</u></u>
CURRENT LIABILITIES		
Current portion of long-term debt	-	\$ 50,000
Current portion of Paycheck Protection Program loan	-	294,955
Accounts payable	\$ 347,341	301,600
Accrued employee wages and benefits	66,510	100,534
Deferred income	682,745	630,685
Total Current Liabilities	<u>1,096,596</u>	<u>1,377,774</u>
LONG-TERM LIABILITIES		
Paycheck Protection Program loan	<u>-</u>	<u>294,955</u>
Total Liabilities	<u>1,096,596</u>	<u>1,672,729</u>
NET ASSETS		
Without donor restrictions:		
Board-designated funds:		
Building fund	-	381,414
Fred Durkle Scholarship	53,129	52,780
Rossi/Denney Scholarship	53,937	53,378
Reserve fund	702,083	810,348
Total Board-Designated Funds	<u>809,149</u>	<u>1,297,920</u>
Undesignated	<u>11,480,863</u>	<u>4,852,876</u>
Total Net Assets	<u>12,290,012</u>	<u>6,150,796</u>
Total Liabilities And Net Assets	<u><u>\$ 13,386,608</u></u>	<u><u>\$ 7,823,525</u></u>

See accompanying notes to the financial statements.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED JULY 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUE AND OTHER GAINS		
Tournament revenue	\$ 13,744,526	\$ 10,699,439
Other revenue	3,542,510	2,785,497
Service revenue	391,980	520,230
Other gains	<u>20,615</u>	<u>73,896</u>
Total Income	17,699,631	14,079,062
EXPENSES		
Program:		
Tournament expenses	10,841,646	9,307,459
Compliance expenses	711,244	589,477
Service expenses	946,005	1,075,403
Officiating expenses	1,032,697	1,311,693
Marketing expenses	<u>150,969</u>	<u>282,563</u>
Total Program Expenses	13,682,561	12,566,595
General and administrative expenses	<u>1,537,428</u>	<u>1,907,610</u>
Total Expenses	<u>15,219,989</u>	<u>14,474,205</u>
Change In Net Assets From Operations	2,479,642	(395,143)
OTHER CHANGES IN NET ASSETS		
Grant revenue	2,510,000	-
PPP loan forgiveness	<u>1,149,574</u>	<u>-</u>
Change In Net Assets Without Donor Restrictions	6,139,216	(395,143)
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	<u>6,150,796</u>	<u>6,545,939</u>
End of year	<u><u>\$ 12,290,012</u></u>	<u><u>\$ 6,150,796</u></u>

See accompanying notes to the financial statements.

[This Page Intentionally Left Blank]

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2021

	<u>Tournament</u>	<u>Compliance</u>	<u>Service</u>	<u>Officiating</u>
Salaries	\$ 602,161	\$ 359,401	\$ 74,380	\$ 212,418
Insurance	59,670	21,291	508,991	139,894
Payroll taxes and benefits	193,232	70,476	26,037	78,988
Consultant fees	35,787	5,368	62,628	53,681
Observers program expenses	465,897	-	-	-
Rulebooks/officiating expenses	-	-	192,412	203,830
Office expense	78,091	47,948	36,885	50,049
Legal fees	-	143,486	-	14,349
Rents and leases	33,691	11,261	14,335	144,885
Repairs and maintenance	47,768	17,223	6,363	19,286
Depreciation	40,096	14,752	5,450	16,519
Bank and merchant fees	7,669	1,857	5,546	76,424
Printing	11,956	11,955	11,955	11,955
Board and staff travel	30,607	2,446	903	2,750
Contract labor	5,247	-	-	-
Audit fees	-	-	-	-
Miscellaneous expenses	-	-	-	-
Clinics and meetings	-	3,780	120	7,669
Other taxes licenses	-	-	-	-
Pension fees	-	-	-	-
Interest expense	-	-	-	-
Cause marketing	-	-	-	-
Subtotal before tournament expenses	1,611,872	711,244	946,005	1,032,697
Direct tournament expenses	<u>9,229,774</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 10,841,646</u></u>	<u><u>\$ 711,244</u></u>	<u><u>\$ 946,005</u></u>	<u><u>\$ 1,032,697</u></u>

<u>Marketing</u>	<u>Program Total</u>	<u>General and Administrative</u>	<u>Total</u>
\$ 49,964	\$ 1,298,324	\$ 504,622	\$ 1,802,946
6,046	735,892	58,511	794,403
20,014	388,747	192,555	581,302
14,102	171,566	310,156	481,722
-	465,897	-	465,897
-	396,242	-	396,242
35,385	248,358	90,048	338,406
-	157,835	129,137	286,972
3,198	207,370	32,019	239,389
4,891	95,531	49,179	144,710
4,189	81,006	40,214	121,220
527	92,023	7,542	99,565
11,956	59,777	11,955	71,732
697	37,403	27,678	65,081
-	5,247	38,592	43,839
-	-	25,084	25,084
-	-	15,233	15,233
-	11,569	-	11,569
-	-	2,903	2,903
-	-	2,000	2,000
-	-	-	-
-	-	-	-
150,969	4,452,787	1,537,428	5,990,215
-	9,229,774	-	9,229,774
<u>\$ 150,969</u>	<u>\$ 13,682,561</u>	<u>\$ 1,537,428</u>	<u>\$ 15,219,989</u>

See accompanying notes to the financial statements.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2020

	<u>Tournament</u>	<u>Compliance</u>	<u>Service</u>	<u>Officiating</u>
Salaries	\$ 806,222	\$ 269,093	\$ 86,829	\$ 242,279
Insurance	86,681	24,019	506,996	273,875
Payroll taxes and benefits	331,911	110,351	35,523	65,847
Consultant fees	23,077	3,550	39,053	39,053
Observers program expenses	-	-	-	-
Rulebooks/officiating expenses	23,603	-	160,615	196,985
Office expense	44,280	44,297	44,297	44,297
Legal fees	13,832	82,991	44,262	13,832
Rents and leases	20,529	5,216	38,335	282,785
Repairs and maintenance	11,644	11,342	11,342	11,342
Depreciation	20,717	20,716	20,716	20,716
Bank and merchant fees	7,505	1,548	6,850	73,114
Printing	38,319	2,784	46,172	17,867
Board and staff travel	10,778	268	268	2,503
Contract labor	29,879	-	8,537	-
Audit fees	-	-	-	-
Miscellaneous expenses	-	-	-	-
Clinics and meetings	-	13,302	25,608	27,198
Other taxes licenses	-	-	-	-
Pension fees	-	-	-	-
Interest expense	-	-	-	-
Cause marketing	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal before tournament expenses	1,468,977	589,477	1,075,403	1,311,693
Direct tournament expenses	<hr/> 7,838,482	<hr/> -	<hr/> -	<hr/> -
Total	<hr/> <hr/> \$ 9,307,459	<hr/> <hr/> \$ 589,477	<hr/> <hr/> \$ 1,075,403	<hr/> <hr/> \$ 1,311,693

<u>Marketing</u>	<u>Program Total</u>	<u>General and Administrative</u>	<u>Total</u>
\$ 57,388	\$ 1,461,811	\$ 579,723	\$ 2,041,534
5,123	896,694	57,312	954,006
23,634	567,266	263,417	830,683
57,851	162,584	370,873	533,457
-	-	-	-
-	381,203	11,903	393,106
44,297	221,468	82,743	304,211
44,262	199,179	77,459	276,638
9,447	356,312	23,511	379,823
13,777	59,447	57,929	117,376
20,716	103,581	25,895	129,476
440	89,457	7,399	96,856
2,336	107,478	16,957	124,435
-	13,817	142,374	156,191
-	38,416	4,268	42,684
-	-	27,898	27,898
-	-	59,086	59,086
3,292	69,400	14,814	84,214
-	-	3,996	3,996
-	-	37,760	37,760
-	-	3,205	3,205
-	-	39,088	39,088
282,563	4,728,113	1,907,610	6,635,723
-	7,838,482	-	7,838,482
<u>\$ 282,563</u>	<u>\$ 12,566,595</u>	<u>\$ 1,907,610</u>	<u>\$ 14,474,205</u>

See accompanying notes to the financial statements.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tournaments, sales and fees	\$ 17,289,032	\$ 13,568,235
Cash paid to suppliers and employees	(15,251,480)	(14,820,670)
Proceeds from ESSER grant	2,510,000	-
Proceeds from termination of pension plan	-	34,343
Net Cash Provided By (Used In) Operating Activities	<u>4,547,552</u>	<u>(1,218,092)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(18,664)	(51,330)
Proceeds from sale of property and equipment	-	7,002
Purchase of investments	-	(8,825)
Proceeds from sale of investments	901,857	400,031
Net Cash Provided By Investing Activities	<u>883,193</u>	<u>346,878</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on short-term debt	(50,000)	(100,000)
Proceeds from Paycheck Protection Program loan	559,665	589,910
Net Cash Provided By Financing Activities	<u>509,665</u>	<u>489,910</u>
Net Increase (Decrease) In Cash And Cash Equivalents	5,940,410	(381,304)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>4,860,224</u>	<u>5,241,528</u>
End of year	<u><u>\$ 10,800,634</u></u>	<u><u>\$ 4,860,224</u></u>

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF CHANGE IN NET ASSETS		
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Change in net assets without donor restrictions:	\$ 6,139,216	\$ (395,143)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
PPP loan forgiveness	(1,149,575)	-
Depreciation	121,220	129,476
Unrealized loss (gain) on investments, net	57,204	(12,862)
Realized gains on investments, net	(66,058)	(786)
Interest and dividends	(11,761)	(18,905)
Gain on sale of asset	-	(7,000)
Change in assets and liabilities:		
Accounts receivable	(450,494)	323,594
Prepaid expenses	(155,977)	107,273
Accrued employee wages and benefits	(34,024)	(319,067)
Accounts payable	45,741	(489,874)
Deferred income	52,060	(760,525)
Pension asset	-	225,727
	<u>-</u>	<u>225,727</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 4,547,552</u>	<u>\$ (1,218,092)</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	<u>-</u>	<u>\$ 3,000</u>

See accompanying notes to the financial statements.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JULY 31, 2021 AND 2020

NOTE 1 - ORGANIZATION

The purpose of the Ohio High School Athletic Association (the Association) shall be to regulate, supervise and administer interscholastic athletic competition in a fair and equitable manner among its member schools. While promoting the values of participation in interscholastic athletics, the Association shall be an integral factor in the total educational program of the schools. This shall be accomplished in cooperation with all agencies vitally concerned with the health and educational welfare of high school, junior high school and middle school students; determining qualifications of individual participants, coaches and officials; providing information through literature and other materials to facilitate athletic relations among member schools; establishing standards for sportsmanship and competition; and furnishing protection against exploitation of schools or students in any manner directed by the member schools. The Columbus office is the administrative and primary office of the Association and is supported by six districts located throughout the state. These financial statements include all districts and the Columbus office.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows:

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Association maintains, at various financial institutions, cash and cash equivalents that exceed federally insured amounts at times.

Accounts Receivable - Accounts receivable are stated at the amount that management expects to collect from outstanding balances. Decisions to charge off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. A substantial portion of the Association's receivables at July 31, 2021 are Employee Retention Credits (ERC). Laws and regulations concerning government programs, including the ERC established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Association's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Association. Receivables at July 31, 2020 are primarily corporate sponsorships and uncollected media fees. No allowance for uncollectible accounts receivable is deemed to be necessary as of July 31, 2021 and 2020. It is reasonably possible that the Association's estimate of the reserve for uncollectible accounts will change.

Short-Term Investments - Short-term investments are carried at cost plus accrued interest, which approximates fair value. At July 31, 2021 and 2020, these investments were primarily interest-bearing bank certificates of deposit with original maturity dates of greater than three months that mature within the next fiscal year.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments - Building Fund - Building fund investments represented board-designated amounts set aside for the purpose of upgrading, remodeling and replacing significant components of the Columbus office. The Association's building fund investments consisted of mutual funds and were recorded at fair value as of July 31, 2020. The building fund board designation was removed during 2021, and the fund was liquidated.

Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in other gains in the accompanying statement of activities and change in net assets. Dividends and interest are recognized when declared and earned, respectively.

Property and Equipment - Property and equipment are recorded at cost. Depreciation is calculated over the estimated useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments that materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is reflected in income. The useful lives and methods used are as follows:

<u>Description</u>	<u>Useful Life</u>	<u>Method</u>
Building	31-40 years	Straight-line
Furniture and fixtures	5-10 years	Straight-line
Vehicles	5 years	Straight-line

The Association evaluates whether events and circumstances have occurred that indicate the remaining carrying value of long-lived assets might not be recoverable. In cases where the expected future cash flows are determined to be less than the carrying amount of the assets, the assets are considered to be impaired and are written down to fair value, based on appraisals or other methods to estimate value. There were no impairment losses recorded during the years ended July 31, 2021 and 2020.

Deferred Income - Annual officials' dues and fees received prior to the licensing period are recorded as deferred income, and recognized as revenue during the period earned.

Revenue Recognition - In 2021, the Association adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which provides a unified model to determine when and how revenue is recognized. The core principle is that the Association should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. The Association adopted the standard effective August 1, 2020 using the modified retrospective application. The initial application was applied to all contracts at the date of initial application. No cumulative-effect adjustment was necessary as of the date of adoption. Revenues recorded in the statement of activities and change in net assets were not affected in the current period by the application of this standard in comparison to the guidance in effect before the transition. The Association revenue streams consist of the following:

Tournament Revenue - The Association sells tournament tickets and receives consideration from customers. Revenue is recognized at the point in time the tournament occurs.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Corporate Sponsorships - The Association receives various corporate sponsorships and recognizes them as revenue at the point in time when the obligation is satisfied or over the term of the sponsorship.

Officials Dues and Classes - The Association renews tournament officials licenses and hosts various educational classes throughout the year in exchange for consideration from officials. The Association receives payments from officials in advance of the renewal or class, and revenue is recognized at the point in time the renewal is effective or the class occurs.

Disaggregation of Revenue - In the following table, revenue is disaggregated by the timing of revenue recognition.

	<u>2021</u>	<u>2020</u>
Point in time	\$ 17,345,351	\$ 13,229,816
Over time	<u>333,333</u>	<u>775,350</u>
Total	<u>\$ 17,678,684</u>	<u>\$ 14,005,166</u>

Grant Revenue - Conditional contributions are recognized when the conditions are substantially met. Conditional contributions were received as part of the Elementary and Secondary School Emergency Relief Fund and the conditions were substantially met during the year ended July 31, 2021. The conditions related to eligible expenses incurred for implementing safety protocols in accordance with the Ohio Department of Health's Director's Order that provided mandatory requirements for sporting events. The full amount of \$2,510,000 was recognized as an other change in net assets on the statement of activities and change in net assets for the year ended July 31, 2021.

Functional Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are summarized and categorized based on their functional classification as either program or supporting expenses. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function and are allocated equally across the programs. The most significant allocations are salaries, payroll taxes and benefits, bank and merchant fees and consultant fees, which are allocated based on time and effort.

Income Taxes - The Association is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Association has not identified any material uncertain tax positions requiring accrual or disclosure in the financial statements. There were no interest or penalties recognized during 2021 or 2020. The Association's tax years since 2018 remain subject to examination.

Basis of Accounting - The Association classifies resources for accounting and reporting purposes into separate net asset classes based on the existence or absence of donor-imposed restrictions. Descriptions of the Association's net asset categories are as follows:

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets Without Donor Restrictions - Net assets that are free of donor-imposed restriction; all revenues, expenses, gains and losses that are not changes in net assets with donor restrictions.

Net Assets With Donor Restrictions - Net assets whose use is limited by the donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Association. Donor-imposed stipulations that will be met in the same period in which the revenue is received are recognized immediately as net assets without donor restrictions in the statement of activities and change in net assets. As of July 31, 2021 and 2020, the Association had no net assets with donor restrictions.

Recent Accounting Pronouncements - In June 2018, the FASB issued ASU No. 2018-08 Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08), which should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958 Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This guidance for contributions received was effective for the Association beginning August 1, 2019, and the adoption of this guidance did not have a material impact on the accompanying financial statements. The guidance for contributions made was effective for the Association beginning August 1, 2020, and the adoption of this guidance in the current year did not have a material impact on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842). Under the new guidance, lessees will be required to recognize a lease liability and right-of-use asset at the commencement date for all leases, with the exception of short-term leases. This guidance will be effective for the Association beginning August 1, 2022. The Association is currently evaluating the impact of adopting this new accounting guidance on its financial statements.

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958) (ASU 2020-07), related to Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU is intended to improve financial reporting by providing new presentation and disclosure requirements on contributed nonfinancial assets. The Association will be required to create a separate line item on the statement of activities to include contributed nonfinancial items, separated from contributions of cash and other financial assets. Enhanced disclosures will include disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial asset and further information about each category of contributed nonfinancial asset recognized. ASU 2020-07 was effective for the Association beginning August 1, 2021. The Association is currently evaluating the impact of adopting this new accounting guidance on its financial statements and related disclosures.

Subsequent Events - Subsequent events are defined as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or available to be issued. Management has evaluated subsequent events through February 10, 2022, which is the date that the financial statements were available to be issued.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021 AND 2020

NOTE 3 - LIQUIDITY

Financial assets available for general expenditures, that is, without donor restrictions or board designations limiting their use, within one year of the statement of financial position date, are comprised of the following as of July 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 10,800,634	\$ 4,860,224
Accounts receivable	784,140	333,646
Short-term investments	<u>320,239</u>	<u>766,689</u>
Financial Assets Available For General Expenditure	<u>\$ 11,905,013</u>	<u>\$ 5,960,559</u>

Although the Association does not intend to spend its board-designated funds other than amounts approved for general expenditure as part of its annual budgeting process, amounts from its board-designated funds could be made available if necessary. There are no minimum balance restrictions on the cash account that would restrict its availability. In addition to these available assets, a significant portion of the Association's annual expenditures will be funded with the annual tournament revenues, service revenue, investment income and miscellaneous revenue.

During February 2021, the Association entered into a \$750,000 revolving line of credit with a financial institution. Interest is payable monthly and is calculated using Prime Rate of interest less 0.25% (3.00% at July 31, 2021). There were no borrowings during the year or outstanding on the line of credit as of July 31, 2021.

NOTE 4 - INVESTMENTS

Investments by type consist of the following at July 31:

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Short-term investments:				
Certificates of deposit	\$ <u>320,239</u>	\$ <u>320,239</u>	\$ <u>820,067</u>	\$ <u>820,067</u>
Investments - building fund:				
Equity mutual funds	-	-	\$ 168,846	\$ 215,514
Fixed income mutual funds	<u>-</u>	<u>-</u>	<u>155,364</u>	<u>165,900</u>
	<u>\$ 320,239</u>	<u>\$ 320,239</u>	<u>\$ 324,210</u>	<u>\$ 381,414</u>

Investment income for the years ended July 31 consists of the following:

	<u>2021</u>	<u>2020</u>
Interest income and dividends	\$ 11,761	\$ 18,905
Realized gains, net	66,058	786
Unrealized gains, (losses) net	<u>(57,204)</u>	<u>12,862</u>
	<u>\$ 20,615</u>	<u>\$ 32,553</u>

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021 AND 2020

NOTE 5 - FAIR VALUE MEASUREMENT

Fair value guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2021 and 2020.

Certificates of Deposit: Valued at cost, plus accrued interest, which approximates fair value.

Mutual Funds: Valued at the daily net asset value (NAV) as reported by the fund. Mutual funds held by the Association are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their NAV and to transact at that price. The mutual funds held by the Association are deemed to be publicly traded.

The methods described above might produce a fair value calculation that might not be indicative of net realizable value or reflective of future fair values. Further, while the Association believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021 AND 2020

NOTE 5 - FAIR VALUE MEASUREMENT (Continued)

The fair values of investment securities at July 31, by asset category, are as follows:

		2021			
		Level 1	Level 2	Level 3	Total
Short-term investments:					
Certificates of deposit		-	\$ 320,239	-	\$ 320,239
		2020			
		Level 1	Level 2	Level 3	Total
Short-term investments:					
Certificates of deposit		-	\$ 820,067	-	\$ 820,067
Investments - building fund:					
Equity mutual funds	\$	215,514	-	-	\$ 215,514
Fixed income mutual funds		165,900	-	-	165,900
	\$	381,414	-	-	\$ 381,414

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment at July 31 consist of the following:

	2021	2020
Furniture and office equipment	\$ 2,879,865	\$ 2,861,202
Buildings and improvements	2,434,169	2,434,169
Vehicles	53,951	53,951
	5,367,985	5,349,322
Less: Accumulated depreciation	(4,419,426)	(4,298,207)
	948,559	1,051,115
Land	269,000	269,000
	\$ 1,217,559	\$ 1,320,115

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021 AND 2020

NOTE 7 - NOTE PAYABLE - BUILDING

Long-term debt consists of the following at July 31:

	<u>2021</u>	<u>2020</u>
Term loan, payable to the previous owners of a building purchased by the Association, interest at 2.00% per annum, payable with annual principal payments of \$100,000 through October 2019, and \$50,000 at maturity in October 2020. The term loan is secured by the mortgage of the property acquired.	-	\$ 50,000
Less: Payments due within one year	<u>-</u>	<u>(50,000)</u>
	<u>-</u>	<u>-</u>

NOTE 8 - PAYCHECK PROTECTION PROGRAM, COVID-19

In April 2020, the Association entered into a term note with a financial institution with a principal amount of \$589,910 pursuant to the Paycheck Protection Program (PPP Term Note) under the CARES Act. In January 2021, the Association entered into a second term note with a financial institution with a principal amount of \$559,665 pursuant to the Paycheck Protection Program secondary draw under the CARES Act. The PPP Term Notes were evidenced by promissory notes. The PPP Term Notes both bear interest at a fixed annual rate of 1.00% with the first six months of interest deferred. The Association had recorded these loans in accordance with FASB Accounting Standards Codification 470, Debt. During the year ended July 31, 2021, the Association applied for and received full forgiveness on the PPP loans. The principal amounts of \$589,910 and \$559,665 were recognized as income on the statement of activities and changes in net assets for the year ended July 31, 2021.

NOTE 9 - RETIREMENT AND PENSION PLANS

Defined Contribution Plan - The Association sponsors a defined contribution retirement plan for its current employees. As of August 1, 2005, all employees became eligible to participate in the defined contribution plan sponsored by the Association. The Association's defined contribution retirement plan is available to all full-time employees. The Association made an annual contribution of 8% and 12% of eligible employee compensation to the plan for the years ended July 31, 2021 and 2020, respectively. The Association also matched employee contributions up to 3%, which amounted to \$164,775 and \$261,023 for the years ended July 31, 2021 and 2020, respectively. Employees are eligible to contribute a portion of their salary, up to regulatory contribution ceilings, in addition to the amount contributed by the Association.

Defined Benefit Plan - The Association has, in the past, sponsored a defined benefit plan. On July 31, 2006, the Association froze the defined benefit plan to employees of record as of July 31, 2005. On July 31, 2009, the Association ceased accruing additional pension benefits and providing years of service for employees in the Association's defined benefit plan. On September 9, 2019, the Association approved the decision to terminate its sponsored pension plan. Participants in the plan had the option to elect to receive their plan balance in a lump-sum distribution or through an annuity. The Association has contracted with a third party to administer these payments. As of July 29, 2020, all participant balances were distributed from the plan.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021 AND 2020

NOTE 10 - OPERATING LEASES

The Association leases certain office equipment under noncancellable operating leases, which expire through 2025. Future minimum lease payments are as follows for the years ending July 31:

<u>Year Ending</u> <u>July 31</u>	<u>Amount</u>
2022	\$ 91,380
2023	91,380
2024	91,380
2025	<u>53,909</u>
	<u>\$ 328,049</u>

Total rent expense for the years ended July 31, 2021 and 2020 amounted to \$239,390 and \$379,823, respectively.

NOTE 11 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents. The Association places these investments with financial institutions. The carrying amount of cash and cash equivalents and short-term investments shown in the accompanying financial statement includes checking, money market, certificates of deposit and savings accounts with various banks for the years ended July 31, 2021 and 2020. At July 31, 2021 and 2020, the bank balances, including checking, savings and certificate of deposit accounts of the Association, amounted to \$11,120,873 and \$5,885,529, respectively. Of the total bank balances, \$2,435,317 and \$1,794,373 were covered by federal depository insurance and \$8,685,556 and \$4,091,156 were uninsured and uncollateralized as of July 31, 2021 and 2020, respectively. The Association monitors its financial stability and does not believe it is exposed to significant credit risk.

NOTE 12 - BOARD DESIGNATIONS

The Association had designated funds as noted in Note 2 for the purpose of upgrading, remodeling and replacing significant components of Association property as of July 31, 2020 of \$381,414. The designation of the funds was removed during 2021. The Association started the Board-Designated Reserve Fund to have a funding source for extraordinary or unforeseen expenditures. The value as of July 31, 2021 and 2020 was \$702,083 and \$810,348, respectively. Funds have also been designated for the Fred Durkle Scholarship Fund and the Rossi-Denney Scholarship Fund. Scholarship money has typically been presented annually to senior athletes in the names of the late Fred Durkle, John Rossi and Bob Denney. Due to the impact of the coronavirus pandemic, no scholarships were presented during the years ended July 31, 2021 and 2020. The amount accumulated in the Fred Durkle Scholarship Fund as of July 31, 2021 and 2020 was \$53,129 and \$52,780, respectively. The amount accumulated in the Rossi/Denney Scholarship Fund as of July 31, 2021 and 2020 was \$53,937 and \$53,378, respectively.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2021 AND 2020

NOTE 13 - OHSAA FOUNDATION

In 1998, the Association provided the initial funding to start the Ohio High School Athletic Association Foundation (Foundation), a separately formed, controlled and operated not-for-profit organization. The Foundation was formed to provide scholarships and conferences for Ohio student athletes. The Association provided the Foundation accounting and clerical services for no charge with a fair value of approximately \$5,000 and \$2,175 for the years ended July 31, 2021 and 2020, respectively. Separate financial statements for the Foundation may be obtained by contacting the Finance and Accounting department of the Ohio High School Athletic Association, 4080 Roselea Place, Columbus, OH 43214.

NOTE 14 - CONTINGENCIES

The Association is, from time to time, subject to lawsuits that are typical of matters arising in the normal operations of interscholastic athletic associations. The Association does not believe that any matters or proceedings presently pending will have a materially adverse effect on its financial position, results of operations or liquidity.

[This Page Intentionally Left Blank]

SUPPLEMENTARY INFORMATION

[This Page Intentionally Left Blank]

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENT OF FINANCIAL POSITION BY DISTRICT

AS OF JULY 31, 2021

(With Comparative Totals for 2020)

	<u>Columbus</u>	<u>Central</u>	<u>East</u>	<u>Northeast</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 6,086,898	\$ 733,286	\$ 732,692	\$ 563,268
Accounts receivable	1,483,059	1,882	-	1,215
Prepaid expenses	181,390	8,714	2,147	15,125
Short-term investments	320,239	-	-	-
Total Current Assets	<u>8,071,586</u>	<u>743,882</u>	<u>734,839</u>	<u>579,608</u>
LONG-TERM ASSETS				
Investments - building fund	-	-	-	-
Property and equipment:				
Vehicles	53,951	-	-	-
Furniture and office equipment	2,835,831	5,135	3,991	7,512
Buildings and improvements	2,434,169	-	-	-
Land	269,000	-	-	-
Less: Accumulated depreciation	<u>(4,385,905)</u>	<u>(3,423)</u>	<u>(3,268)</u>	<u>(5,800)</u>
Property and equipment, net	<u>1,207,046</u>	<u>1,712</u>	<u>723</u>	<u>1,712</u>
Total Assets	<u><u>\$ 9,278,632</u></u>	<u><u>\$ 745,594</u></u>	<u><u>\$ 735,562</u></u>	<u><u>\$ 581,320</u></u>
CURRENT LIABILITIES				
Current portion of long-term debt	-	-	-	-
Current portion of Paycheck Protection Program loan	-	-	-	-
Accounts payable	\$ 326,015	\$ 83,410	\$ 26,251	\$ 181,988
Accrued employee wages and benefits	66,510	-	-	-
Deferred income	682,745	-	-	-
Total Current Liabilities	<u>1,075,270</u>	<u>83,410</u>	<u>26,251</u>	<u>181,988</u>
LONG-TERM LIABILITIES				
Paycheck Protection Program loan	-	-	-	-
Total Liabilities	<u>1,075,270</u>	<u>83,410</u>	<u>26,251</u>	<u>181,988</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Board-designated funds:				
Building fund	-	-	-	-
Fred Durkle Scholarship	-	-	-	-
Rossi/Denney Scholarship	-	-	-	-
Reserve fund	702,083	-	-	-
Total Board-Designated Funds	<u>702,083</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undesignated	7,501,279	662,184	709,311	399,332
Total Net Assets	<u>8,203,362</u>	<u>662,184</u>	<u>709,311</u>	<u>399,332</u>
Total Liabilities And Net Assets	<u><u>\$ 9,278,632</u></u>	<u><u>\$ 745,594</u></u>	<u><u>\$ 735,562</u></u>	<u><u>\$ 581,320</u></u>

Northwest	Southeast	Southwest	Eliminations	Total All Districts	
				2021	2020
\$ 1,041,352	\$ 591,450	\$ 1,051,688	-	\$ 10,800,634	\$ 4,860,224
314	3,892	1,332	\$ (707,554)	784,140	333,646
28,860	6,466	21,334	-	264,036	108,059
-	-	-	-	320,239	820,067
<u>1,070,526</u>	<u>601,808</u>	<u>1,074,354</u>	<u>(707,554)</u>	<u>12,169,049</u>	<u>6,121,996</u>
-	-	-	-	-	381,414
-	-	-	-	53,951	53,951
5,135	10,255	12,006	-	2,879,865	2,861,202
-	-	-	-	2,434,169	2,434,169
-	-	-	-	269,000	269,000
(3,423)	(8,543)	(9,064)	-	(4,419,426)	(4,298,207)
<u>1,712</u>	<u>1,712</u>	<u>2,942</u>	<u>-</u>	<u>1,217,559</u>	<u>1,320,115</u>
<u>\$ 1,072,238</u>	<u>\$ 603,520</u>	<u>\$ 1,077,296</u>	<u>\$ (707,554)</u>	<u>\$ 13,386,608</u>	<u>\$ 7,823,525</u>
-	-	-	-	-	\$ 50,000
-	-	-	-	-	294,955
\$ 98,809	\$ 101,720	\$ 236,702	\$ (707,554)	\$ 347,341	301,600
-	-	-	-	66,510	100,534
-	-	-	-	682,745	630,685
<u>98,809</u>	<u>101,720</u>	<u>236,702</u>	<u>(707,554)</u>	<u>1,096,596</u>	<u>1,377,774</u>
-	-	-	-	-	294,955
<u>98,809</u>	<u>101,720</u>	<u>236,702</u>	<u>(707,554)</u>	<u>1,096,596</u>	<u>1,672,729</u>
-	-	-	-	-	381,414
-	-	53,129	-	53,129	52,780
-	-	53,937	-	53,937	53,378
-	-	-	-	702,083	810,348
-	-	107,066	-	809,149	1,297,920
973,429	501,800	733,528	-	11,480,863	4,852,876
<u>973,429</u>	<u>501,800</u>	<u>840,594</u>	<u>-</u>	<u>12,290,012</u>	<u>6,150,796</u>
<u>\$ 1,072,238</u>	<u>\$ 603,520</u>	<u>\$ 1,077,296</u>	<u>\$ (707,554)</u>	<u>\$ 13,386,608</u>	<u>\$ 7,823,525</u>

See independent auditor's report.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS BY DISTRICT
FOR THE YEAR ENDED JULY 31, 2021
(With Comparative Totals for 2020)

	Columbus	Central	East	Northeast	Northwest
Revenue and other gains:					
Tournament revenue:					
Boys basketball	\$ 576,272	\$ 118,100	\$ 88,590	\$ 229,149	\$ 324,455
Football	3,545,587	-	-	-	-
Girls basketball	418,685	77,510	49,430	150,230	215,030
Soccer	318,861	128,632	43,161	295,747	155,074
Wrestling	46,840	28,055	17,100	49,145	51,760
Track and field	886,291	91,300	35,290	184,900	156,700
Volleyball	162,933	53,904	41,761	124,370	130,384
Baseball	364,264	120,610	65,340	184,810	197,145
Softball	304,910	75,660	42,480	113,070	132,390
Swimming and diving	50,530	-	-	13,205	15,707
Ice hockey	84,746	-	-	-	-
Team wrestling	8,160	-	-	-	-
Cross country	243,078	29,200	9,344	39,568	39,616
Bowling	34,243	8,800	2,000	4,660	4,830
Golf	59,480	11,336	5,456	15,248	19,392
Field hockey	34,580	-	-	-	-
Gymnastics	11,935	3,310	-	8,840	950
Tennis	39,230	17,226	-	27,140	18,922
Lacrosse	622,079	-	-	-	-
Total Tournament Revenue	7,812,704	763,643	399,952	1,440,082	1,462,355
Other revenue:					
Corporate sponsors	1,658,188	-	-	-	-
ERC tax credit	598,205	-	-	-	-
Officials dues	1,005,523	-	50	-	-
T-shirt fees	-	-	-	-	-
Other miscellaneous	191,307	4,903	9,795	15,262	1,646
Clinics and meetings	17,030	-	-	-	-
Blank shells	11,755	-	-	-	-
Books and subscriptions	976	-	-	-	-
Total Other Revenue	3,482,984	4,903	9,845	15,262	1,646
Service revenue:					
Coach's education	329,300	-	-	-	-
First aid coach's training	62,680	-	-	-	-
Football jamboree	-	-	-	-	-
Total Service Revenue	391,980	-	-	-	-
Other gains:					
Investment income, net	13,415	407	3,646	183	348
Gain on sale of assets, net	-	-	-	-	-
Gain on termination of pension plan, net	-	-	-	-	-
Total Other Gains	13,415	407	3,646	183	348
Other changes in net assets:					
Grant revenue	2,510,000	-	-	-	-
PPP loan forgiveness	1,149,574	-	-	-	-
Total Other Changes	3,659,574	-	-	-	-
Total Revenue And Other Gains	\$ 15,360,657	\$ 768,953	\$ 413,443	\$ 1,455,527	\$ 1,464,349

Southeast	Southwest	Eliminations	Total All Districts	
			2021	2020
\$ 115,870	\$ 289,715	-	\$ 1,742,151	\$ 2,481,542
-	-	-	3,545,587	3,035,451
79,640	148,309	-	1,138,834	1,356,359
62,688	255,869	-	1,260,032	1,411,599
15,910	49,560	-	258,370	395,381
51,660	132,320	-	1,538,461	-
49,126	106,018	-	668,496	876,314
77,140	176,270	-	1,185,579	-
47,030	109,410	-	824,950	-
-	-	-	79,442	280,738
-	-	-	84,746	132,610
-	-	-	8,160	123,928
11,208	31,320	-	403,334	364,447
-	-	-	54,533	119,743
7,000	18,496	-	136,408	46,767
-	-	-	34,580	31,399
-	1,260	-	26,295	29,823
2,955	27,016	-	132,489	13,338
-	-	-	622,079	-
520,227	1,345,563	-	13,744,526	10,699,439
-	-	-	1,658,188	1,239,714
-	-	-	598,205	-
-	-	-	1,005,573	1,138,270
-	-	-	-	137,000
2,698	25,172	-	250,783	206,695
-	-	-	17,030	38,655
-	-	-	11,755	19,175
-	-	-	976	5,988
2,698	25,172	-	3,542,510	2,785,497
-	-	-	329,300	299,310
-	-	-	62,680	106,670
-	-	-	-	114,250
-	-	-	391,980	520,230
220	2,396	-	20,615	32,553
-	-	-	-	7,000
-	-	-	-	34,343
220	2,396	-	20,615	73,896
-	-	-	2,510,000	-
-	-	-	1,149,574	-
-	-	-	3,659,574	-
<u>\$ 523,145</u>	<u>\$ 1,373,131</u>	<u>-</u>	<u>\$ 21,359,205</u>	<u>\$ 14,079,062</u>

See independent auditor's report.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS BY DISTRICT
FOR FISCAL YEAR ENDED JULY 31, 2021

(With Comparative Totals for 2020)

	<u>Columbus</u>	<u>Central</u>	<u>East</u>	<u>Northeast</u>
Tournament expenses:				
Boys basketball	\$ 269,530	\$ 91,224	\$ 42,648	\$ 183,462
Football	1,885,085	-	-	-
Girls basketball	244,131	65,983	37,960	158,884
Wrestling	113,842	75,479	26,082	105,748
Track and field	502,190	74,180	24,833	170,215
Soccer	197,115	93,988	30,415	249,817
Volleyball	110,376	51,804	29,955	131,330
Baseball	185,376	49,226	29,281	99,111
Softball	151,186	42,788	24,750	88,008
Swimming and diving	61,628	39,400	2,805	57,489
Team wrestling	-	-	-	-
Cross country	164,215	22,936	3,646	33,446
Ice hockey	87,690	-	-	-
Golf	38,226	15,447	8,644	18,708
Tennis	30,750	20,361	786	28,841
Bowling	18,072	10,024	3,959	9,396
Gymnastics	23,611	11,112	-	40,065
Field hockey	27,177	-	-	-
Lacrosse	294,902	-	-	-
Special awards	11,225	-	-	-
Total Tournament Expenses	<u>4,677,627</u>	<u>663,952</u>	<u>265,764</u>	<u>1,374,520</u>
Service expenses:				
Catastrophic and tournament accident insurance	501,125	-	-	-
Officiating expenses	396,242	-	-	-
Member service expense	-	-	-	-
Cause marketing	-	-	-	-
Total Service Expense	<u>897,367</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:				
Salaries and wages	1,129,050	28,694	31,159	66,091
Commissioner's salaries	448,664	-	-	-
Payroll taxes and benefits	577,226	2,251	2,430	5,136
Insurance	293,278	-	-	-
Consultant fees	677,221	-	-	-
Board travel and meetings	46,236	1,931	2,783	4,074
Office expense	337,330	527	86	3,508
Depreciation	115,267	1,027	798	1,027
Clinics and meetings	11,569	-	-	-
Printing	70,202	-	-	553
Legal fees	286,971	-	-	-
Miscellaneous expenses	89,894	4,746	7,652	7,319
Rents and leases	233,092	-	530	2,560
Repairs and maintenance	144,710	-	-	-
Pension fees	2,000	-	-	-
Workers' compensation	(13,544)	-	-	-
Contract labor	-	4,513	11,500	5,000
Audit fees	25,084	-	-	-
Other taxes and licenses	2,903	-	-	-
Interest expenses	-	-	-	-
Total Operating Expenses	<u>4,477,153</u>	<u>43,689</u>	<u>56,938</u>	<u>95,268</u>
Other expense:				
Contributions/donations	650	-	-	-
Total Expenses	<u>10,052,797</u>	<u>707,641</u>	<u>322,702</u>	<u>1,469,788</u>
Change In Net Assets Without Donor Restrictions	<u>\$ 5,307,860</u>	<u>\$ 61,312</u>	<u>\$ 90,741</u>	<u>\$ (14,261)</u>

Northwest	Southeast	Southwest	Eliminations	2021	2020
\$ 156,572	\$ 52,737	\$ 166,837	-	\$ 963,010	\$ 1,359,045
-	-	-	-	1,885,085	1,904,669
131,995	46,058	137,596	-	822,607	1,027,967
85,117	21,922	111,580	-	539,770	474,260
87,297	28,910	100,854	-	988,479	36,241
133,871	45,335	175,553	-	926,094	869,093
109,373	36,738	109,065	-	578,641	646,182
92,791	27,673	92,630	-	576,088	13,011
80,954	44,573	78,787	-	511,046	13,124
32,907	2,218	92,109	-	288,556	316,599
-	-	-	-	-	171,644
25,971	7,391	37,696	-	295,301	339,997
-	-	-	-	87,690	84,299
13,849	18,760	21,025	-	134,659	242,116
12,213	3,303	35,785	-	132,039	64,800
5,959	2,150	12,260	-	61,820	141,904
9,778	-	7,949	-	92,515	88,398
-	-	-	-	27,177	28,268
-	-	-	-	294,902	3,122
-	-	-	-	11,225	13,743
978,647	337,768	1,179,726	-	9,478,004	7,838,482
-	-	-	-	501,125	513,695
-	-	-	-	396,242	588,237
-	-	4,528	-	4,528	478,549
-	-	-	-	-	39,088
-	-	4,528	-	901,895	1,619,569
40,378	37,754	21,156	-	1,354,282	1,304,660
-	-	-	-	448,664	736,875
3,149	2,945	1,707	-	594,844	836,645
-	-	-	-	293,278	180,819
-	-	-	-	677,221	532,693
7,032	2,009	1,018	-	65,083	156,191
1,163	438	1,235	-	344,287	310,542
1,027	1,027	1,046	-	121,219	129,476
-	-	-	-	11,569	20,355
186	-	792	-	71,733	59,627
-	-	-	-	286,971	276,638
10,851	3,091	2,352	-	125,905	145,853
900	-	2,308	-	239,390	94,523
-	-	-	-	144,710	117,376
-	-	-	-	2,000	37,760
-	-	-	-	(13,544)	(5,962)
4,199	3,650	14,979	-	43,841	42,684
-	-	-	-	25,084	27,898
-	-	-	-	2,903	3,996
-	-	-	-	-	3,205
68,885	50,914	46,593	-	4,839,440	5,011,854
-	-	-	-	650	4,300
1,047,532	388,682	1,230,847	-	15,219,989	14,474,205
\$ 416,817	\$ 134,463	\$ 142,284	-	\$ 6,139,216	\$ (395,143)

See independent auditor's report.

[This Page Intentionally Left Blank]

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Ohio High School Athletic Association
Columbus, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ohio High School Athletic Association (the Association), which comprise the statements of financial position as of July 31, 2021, and the related statements of activities and change in net assets, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Association's Response to Findings

The Association's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Association's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schneider Downs & Co., Inc.

Columbus, Ohio
February 10, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Ohio High School Athletic Association
Columbus, Ohio

Report on Compliance for Each Major Federal Program

We have audited Ohio High School Athletic Association (the Association) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs for the year ended July 31, 2021. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Association's compliance.

Opinion on Each Major Federal Program

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2021.

Report on Internal Control Over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses might exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schneider Downs & Co., Inc.

Columbus, Ohio
February 10, 2022

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2021

<u>Federal Grantor/Program or Cluster Title</u>	<u>Name of Grant - Grant ID No.</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures (\$)</u>
<u>U.S. Department of Education</u>			
Pass-through Ohio Department of Education			
COVID-19 Elementary and Secondary School Emergency Relief Fund	EDUFER20	84.425D	<u>\$ 2,510,000</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>2,510,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,510,000</u></u>

The notes to the Schedule of Expenditures of Federal Awards should be read with this schedule.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JULY 31, 2021

NOTE 1 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Association under a program of the federal government for the year ended July 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, change in net assets or cash flows of the Association.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICY

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - DE MINIMUS INDIRECT COST RATE

The Association has elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

There were no amounts passed through to subrecipients for the year ended July 31, 2021.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JULY 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of report the auditor issued on whether the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

 X yes _____ none reported

Noncompliance material to financial statements noted

_____ yes X no

Federal Awards:

Internal control over major programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditor's report on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major federal programs:

CFDA Number
84.425D

Name of Federal Program or Cluster
Elementary and Secondary School Emergency Relief
Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes X no

The independent auditor's report on compliance should be read with this schedule.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JULY 31, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, grant agreements and abuse related to the financial statements for which Government Auditing Standards require reporting.

Finding 2021-001

Condition:

The District Treasurers and the Controller can perform certain tasks that may go unreviewed by the Columbus office and the COO, respectively.

Criteria:

All significant processes performed should have adequate segregation of duties, including review by another employee in the Columbus office.

Cause:

A comprehensive, formalized policies and procedures manual detailing standardized processes, including requirements for authorization and approval, is not currently in place.

Effect or potential effect:

Transactions may occur without appropriate authorization or documented review by an appropriate level of management.

Recommendation:

We recommend the Association strengthen controls to ensure adequate review and approval by formalizing its policies and procedures and potentially realigning job roles and responsibilities.

Views of Responsible Officials:

Management agrees with this recommendation.

In December 2021, a comprehensive accounting centralization plan was developed and reviewed with the Board of Directors. Key components of the plan include:

- Hire an experienced senior accountant to enable additional segregation of duties and expansion of accounting review and sign-off. The senior accountant will perform many accounting duties that were previously performed by the Controller, allowing the Controller to focus on accounting policy and oversight. Completed January 2022.
- Centralize all accounting transaction activities to the Columbus office. Centralizing duties to the Columbus office will ensure accounting work will be performed, reviewed and approved by staff with formal accounting education, work experience and professional designations. Additionally, centralizing accounting duties will deliver standardized procedures, increased process automation and reduced manual effort. Expected completion - August 2022.
- Formally document a comprehensive Accounting Policies and Procedures Manual and Segregation of Duties matrix. Expected completion - August 2022.

The independent auditor's report on compliance should be read with this schedule.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JULY 31, 2021

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit findings required to be reported by 2 CFR 200.516(a) (significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs and material abuse.)

There were no findings noted in the current year that are required to be reported in accordance with 2 CFR 200.516(a).

The independent auditor's report on compliance should be read with this schedule.

[This Page Intentionally Left Blank]