

• **Financial Statements**  
• with Supplementary Information

• **Ohio High School**  
• **Athletic Association**

• July 31, 2024 and 2023



# CONTENTS



	<b>Page</b>
<b>Independent Auditor’s Report</b>	<b>3</b>
<b>Financial Statements:</b>	
<b>Statements of Financial Position</b>	<b>6</b>
<b>Statements of Activities and Changes in Net Assets</b>	<b>7</b>
<b>Statements of Functional Expenses</b>	<b>8</b>
<b>Statements of Cash Flows</b>	<b>10</b>
<b>Notes to Financial Statements</b>	<b>11</b>
<b>Supplementary Information:</b>	
<b>Statement of Activities and Change in Net Assets by District     (with Comparative Totals for 2023)</b>	<b>22</b>



To the Board of Directors  
Ohio High School Athletic Association  
Columbus, Ohio

## **Independent Auditor's Report**

### ***Opinion***

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, 2024 and 2023, and the related statements of activities and changes in net assets, 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 the Association as of July 31, 2024 and 2023, 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 (GAAS). 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 the Association 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 the Association'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 GAAS 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 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 GAAS, 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 the Association'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 the Association'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.

To the Board of Directors  
Ohio High School Athletic Association  
Page 3

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 22-23 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, such information is fairly stated in all material respects in relation to the financial statements as a whole.

*GBQ Partners LLC*

Columbus, Ohio  
January 15, 2025

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Statements of Financial Position

July 31, 2024 and 2023



	2024	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 7,864,775	\$ 9,352,493
Accounts receivable	1,544,039	402,298
Prepaid expenses	626,346	18,876
Certificate of deposit	121,687	121,183
Total current assets	<b>10,156,847</b>	9,894,850
<b>Long-Term Assets</b>		
Investments	11,752,035	11,535,015
Property and equipment, net	1,393,614	1,313,952
Total long-term assets	<b>13,145,649</b>	12,848,967
<b>TOTAL ASSETS</b>	<b>\$ 23,302,496</b>	<b>\$ 22,743,817</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 290,365	\$ 1,392,126
Accrued employee wages and benefits	100,188	80,822
Deferred income	716,799	696,590
Total current liabilities	<b>1,107,352</b>	2,169,538
<b>Net Assets</b>		
Without donor restrictions		
Board designated funds:		
Fred Durkle Scholarship	50,578	46,714
Rossi-Denney Scholarship	51,380	47,455
Reserve fund	487,563	590,736
Athletic Enrichment fund	2,557,431	3,037,327
Total Board designated funds	<b>3,146,952</b>	3,722,232
Undesignated funds	<b>19,048,192</b>	16,852,047
Total net assets without donor restrictions	<b>22,195,144</b>	20,574,279
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 23,302,496</b>	<b>\$ 22,743,817</b>

*The accompanying notes are an integral part of the financial statements.*

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Statements of Activities and Changes in Net Assets For the Years Ended July 31, 2024 and 2023

	2024	2023
<b>Revenue and Other Gains</b>		
Tournament revenue	\$ 21,743,928	\$ 20,745,605
Other revenue	3,121,254	3,142,650
Service revenue	1,095,364	1,165,604
Interest and dividend income	471,822	241,625
Total revenue and other gains	<u>26,432,368</u>	<u>25,295,484</u>
<b>Expenses</b>		
Program:		
Tournament expenses	18,360,726	16,663,323
Compliance expenses	509,271	445,893
Service expenses	2,843,614	2,185,527
Officiating expenses	1,287,344	1,490,763
Marketing expenses	130,985	123,217
Total program expenses	<u>23,131,940</u>	<u>20,908,723</u>
Supporting:		
General and administrative expenses	<u>2,072,571</u>	<u>1,875,169</u>
Total expenses	<u>25,204,511</u>	<u>22,783,892</u>
Change in net assets from operations	1,227,857	2,511,592
<b>Other Income</b>		
Grant revenue	25,000	25,000
Net realized and unrealized gain on investments	<u>368,008</u>	<u>122,119</u>
<b>Change in Net Assets without Donor Restrictions</b>	<b>1,620,865</b>	<b>2,658,711</b>
<b>Net Assets without Donor Restrictions - Beginning of Year</b>	<b>20,574,279</b>	<b>17,915,568</b>
<b>Net Assets without Donor Restrictions - End of Year</b>	<b>\$ 22,195,144</b>	<b>\$ 20,574,279</b>

*The accompanying notes are an integral part of the financial statements.*

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Statement of Functional Expenses For the Year Ended July 31, 2024

	Program					Program Total	Supporting	Total
	Tournament	Compliance	Service	Officiating	Marketing		General and Administrative	
Salaries and wages	\$ 911,390	\$ 159,796	\$ 62,574	\$ 360,996	\$ 38,891	\$ 1,533,647	\$ 775,881	\$ 2,309,528
Insurance	82,477	23,009	475,509	171,868	5,600	758,463	100,158	858,621
Payroll taxes and benefits	152,691	63,240	24,764	75,485	15,391	331,571	256,786	588,357
Rulebooks and officiating	-	-	236,793	323,985	-	560,778	-	560,778
Lease and service contracts	21,667	10,028	3,927	10,570	2,441	48,633	40,405	89,038
Consultant fees	43,125	7,924	113,104	60,719	10,260	235,132	131,649	366,781
Office expense	85,693	58,482	41,606	59,980	37,495	283,256	144,036	427,292
Board and staff travel	323,386	11,009	3,605	9,702	2,240	349,942	195,036	544,978
Legal fees	-	101,754	-	16,959	-	118,713	50,877	169,590
Depreciation	32,122	15,441	6,047	16,275	3,758	73,643	64,603	138,246
Bank and merchant fees	64,865	1,792	4,696	69,217	436	141,006	9,889	150,895
Scholarships	-	-	217,909	-	-	217,909	-	217,909
Repairs and maintenance	35,347	16,272	6,372	17,150	3,960	79,101	71,569	150,670
Clinics and meetings	-	30,011	4,195	83,925	-	118,131	27,959	146,090
Contract labor	5,378	-	-	-	-	5,378	48,397	53,775
Printing	10,512	10,513	10,513	10,513	10,513	52,564	10,513	63,077
Miscellaneous expenses	-	-	-	-	-	-	106,526	106,526
Grant program expenses	35,000	-	-	-	-	35,000	-	35,000
Audit fees	-	-	-	-	-	-	36,060	36,060
Other taxes and licenses	-	-	-	-	-	-	2,227	2,227
Athletic enrichment donations	-	-	1,632,000	-	-	1,632,000	-	1,632,000
Loss on disposal of assets	-	-	-	-	-	-	-	-
	1,803,653	509,271	2,843,614	1,287,344	130,985	6,574,867	2,072,571	8,647,438
Direct tournament expenses	16,557,073	-	-	-	-	16,557,073	-	16,557,073
<b>TOTAL</b>	<b>\$ 18,360,726</b>	<b>\$ 509,271</b>	<b>\$ 2,843,614</b>	<b>\$ 1,287,344</b>	<b>\$ 130,985</b>	<b>\$ 23,131,940</b>	<b>\$ 2,072,571</b>	<b>\$ 25,204,511</b>

*The accompanying notes are an integral part of the financial statements.*



# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Statement of Functional Expenses For the Year Ended July 31, 2023

	Program					Program Total	Supporting	Total
	Tournament	Compliance	Service	Officiating	Marketing		General and Administrative	
Salaries and wages	\$ 925,338	\$ 149,056	\$ 58,369	\$ 349,917	\$ 36,277	\$ 1,518,957	\$ 739,365	\$ 2,258,322
Insurance	89,442	24,701	495,516	181,081	6,012	796,752	107,749	904,501
Payroll taxes and benefits	137,243	60,780	23,801	69,484	14,793	306,101	244,422	550,523
Rulebooks and officiating	-	-	236,540	301,297	-	537,837	-	537,837
Lease and service contracts	25,299	10,598	24,575	276,696	2,579	339,747	43,730	383,477
Consultant fees	40,868	7,357	66,151	57,955	9,777	182,108	124,964	307,072
Office expense	76,803	53,526	39,092	54,807	35,575	259,803	129,752	389,555
Board and staff travel	241,877	9,633	2,932	7,892	1,822	264,156	155,280	419,436
Legal fees	-	69,350	-	11,558	-	80,908	34,676	115,584
Depreciation	27,188	12,950	5,071	13,649	3,152	62,010	54,757	116,767
Bank and merchant fees	38,932	1,244	7,140	95,924	303	143,543	8,805	152,348
Scholarships	-	-	192,696	-	-	192,696	-	192,696
Repairs and maintenance	34,847	16,657	6,523	17,557	4,054	79,638	70,145	149,783
Clinics and meetings	-	21,168	748	44,075	-	65,991	16,276	82,267
Contract labor	4,794	-	-	-	-	4,794	43,148	47,942
Printing	8,873	8,873	8,873	8,871	8,873	44,363	8,873	53,236
Miscellaneous expenses	-	-	-	-	-	-	46,538	46,538
Grant program expenses	35,000	-	-	-	-	35,000	-	35,000
Audit fees	-	-	-	-	-	-	32,000	32,000
Other taxes and licenses	-	-	-	-	-	-	3,022	3,022
Athletic enrichment donations	-	-	1,017,500	-	-	1,017,500	-	1,017,500
Loss on disposal of assets	-	-	-	-	-	-	11,667	11,667
	1,686,504	445,893	2,185,527	1,490,763	123,217	5,931,904	1,875,169	7,807,073
Direct tournament expenses	14,976,819	-	-	-	-	14,976,819	-	14,976,819
<b>TOTAL</b>	<b>\$ 16,663,323</b>	<b>\$ 445,893</b>	<b>\$ 2,185,527</b>	<b>\$ 1,490,763</b>	<b>\$ 123,217</b>	<b>\$ 20,908,723</b>	<b>\$ 1,875,169</b>	<b>\$ 22,783,892</b>

*The accompanying notes are an integral part of the financial statements.*

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Statements of Cash Flows For the Years Ended July 31, 2024 and 2023

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Cash received from tournaments, services and fees	\$ 25,310,836	\$ 26,920,968
Cash paid to suppliers and employees	(26,756,130)	(21,743,413)
Proceeds from grants	25,000	25,000
Net cash and cash equivalents (used in) provided by operating activities	<b>(1,420,294)</b>	5,202,555
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(217,908)	(273,042)
Purchases of investments	(1,708,512)	(9,118,022)
Proceeds from sale of investments	1,858,996	1,090,352
Net cash and cash equivalents used in investing activities	<b>(67,424)</b>	(8,300,712)
Net decrease in cash and cash equivalents	<b>(1,487,718)</b>	(3,098,157)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>9,352,493</b>	12,450,650
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 7,864,775</b>	\$ 9,352,493
<b>Reconciliation of Change in Net Assets to Net Cash and Cash Equivalents (Used in) Provided by Operating Activities</b>		
Change in net assets without donor restrictions	\$ 1,620,865	\$ 2,658,711
Adjustments to reconcile change in net assets to net cash and cash equivalents (used in) provided by operating activities:		
Depreciation	138,246	116,767
Net realized and unrealized gain on investments	(368,008)	(122,119)
Loss on disposal of assets	-	11,667
Change in assets and liabilities:		
Accounts receivable	(1,141,741)	1,593,705
Prepaid expenses	(607,470)	71,076
Accrued employee wages and benefits	19,366	16,362
Accounts payable	(1,101,761)	824,607
Deferred income	20,209	31,779
<b>Net Cash and Cash Equivalents (Used in) Provided by Operating Activities</b>	<b>\$ (1,420,294)</b>	\$ 5,202,555

*The accompanying notes are an integral part of the financial statements.*

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

July 31, 2024 and 2023

### Nature and Scope of Business

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.

### Summary of Significant Accounting Policies

#### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

#### Financial Statement Presentation

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:

*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 changes in net assets. As of July 31, 2024 and 2023, the Association had no net assets with donor restrictions.

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

### July 31, 2024 and 2023

#### Summary of Significant Accounting Policies (continued)

##### Cash and Cash Equivalents

The Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Association maintains cash and cash equivalents at various financial institutions, which at times, may exceed federally insured limits.

##### Accounts Receivable

Accounts receivable are uncollateralized customer obligations due under normal trade terms, typically requiring payment within 30 days from the invoice date. The Association does not charge interest on any overdue accounts. Accounts receivable from customers were \$1,554,039, \$402,298, and \$1,816,091 at July 31, 2024, July 31, 2023 and August 1, 2022, respectively.

The carrying value of receivables is reduced by a valuation allowance for expected credit losses, as necessary, that reflects management's best estimate of the amount that will not be collected. This estimation takes into consideration historical experience, current conditions and, as applicable, reasonable supportable forecasts. Actual results could vary from the estimate. Accounts are charged against the allowance when management deems them to be uncollectible. Based on its assessment, management determined that the risk of credit loss was not material; therefore, there was no valuation allowance recorded as of July 31, 2024 and 2023.

##### Investments

The Association records investments in marketable securities at their fair value. Interest and dividend income and realized and unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions, unless explicit donor stipulation or law restricts their use.

U.S. GAAP established a fair value hierarchy that prioritizes the inputs to measure the fair value of the assets or liabilities being measured. Fair value is defined as the exchange value that would be received on the measurement date to sell an asset or to value the amount paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Level 1 inputs provide the most reliable measure of fair value as of the measurement date.

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

July 31, 2024 and 2023

### Summary of Significant Accounting Policies (continued)

#### Investments (continued)

Level 2 Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 Inputs are significant unobservable inputs for the asset or liability.

The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

#### Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Renewals and betterments that materially extend the useful lives of the assets are capitalized and depreciated. Maintenance and repairs that do not improve or extend the lives of the respective assets are charged to expense as incurred. Assets purchased but not placed in service are capitalized and depreciation is not recognized until the date the asset is placed in service. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is reflected in income. The useful lives of property and equipment are as follows:

Building	31 - 40 Years
Furniture and fixtures	5 - 10 Years
Vehicles	5 Years

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, 2024 and 2023.

#### Deferred Income

Annual officials' permit fees received prior to the start of the licensing period are recorded as deferred income and recognized as revenue during the period earned. Deferred income was \$716,799 and \$696,590 and \$664,811 at July 31, 2024, July 31, 2023 and August 1, 2022, respectively. For the years ended July 31, 2024 and 2023, \$696,590 and \$664,811, respectively, was recognized as income for 2023 and 2022 deferred income balances.

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

July 31, 2024 and 2023

### Summary of Significant Accounting Policies (continued)

#### Revenue Recognition

The Association has adopted the provisions and expanded disclosure requirements described in Accounting Standards Update (ASU) No. 2014-09, Revenue from *Contracts with Customers*, also referred to as Accounting Standards Codification (ASC) Topic 606, which provides a unified model to determine when and how revenue is recognized. In accordance with ASC 606, the Association recognizes 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's 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.

**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. Corporate sponsorships are included in other revenue in the accompanying statements of activities and changes in net assets.

**Officials Permit and Class Fees** - 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 over the period the renewal is effective or at the point in time the class occurs. Officials Permit and Class Fees are included in other revenue in the accompanying statements of activities and changes in net assets.

**Service Revenue** - The Association receives membership dues from member schools which are recognized over the period the membership is effective. Additionally, service revenue is comprised of coach's education fees which are recognized as revenue based on the education credit activity that occurs.

#### Grant and Contribution Revenues

From time to time, the Association receives grants and other contribution support. These unconditional contributions are recognized as revenue at the time the commitment is made or the payment is received.

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

July 31, 2024 and 2023

### Summary of Significant Accounting Policies (continued)

#### Contributed Services

Donated services are recognized as contributions only if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills and would otherwise be purchased by the Association. During the years ended July 31, 2024 and 2023, a substantial number of unpaid volunteers, including members of the Board of Directors, made significant contributions of time to promote and administer the activities at the Association. The value of this contributed time is not reflected in the financial statements since the aforementioned criteria were not met.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying 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 performs an annual assessment for any uncertainty in income tax positions which includes an analysis of whether there are any tax positions the Association takes with regard to unrelated business income, related deductions applied or other activities that may jeopardize their tax exempt status and thus would meet the definition of an uncertain tax position. The Association has not identified any material uncertain tax positions requiring accrual or disclosure in the financial statements as of July 31, 2024 or 2023.

#### Newly Adopted Accounting Pronouncement

Effective August 1, 2023, the Association adopted the provisions and disclosure requirements described in ASC Topic 326, *Financial Instruments – Credit Losses* (ASC 326). ASC 326 sets forth a current expected credit loss (CECL) model, which requires the Association to measure all expected credit losses for financial assets (or a group of financial assets) held at the reporting date based on historical experience, current conditions and reasonable supportable forecasts. The standard replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost, such as accounts receivable and related allowances. The adoption of ASC 326 did not have a material effect on the accompanying financial statements.

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

July 31, 2024 and 2023

### Liquidity and Available Resources

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 \$7,595,357 of cash and cash equivalents, \$1,544,039 of accounts receivable and \$121,687 in a certificate of deposit at July 31, 2024.

The Association also holds \$8,996,188 in long-term investments, which are without restrictions or board designations limiting their use, that could be made available for current operations, if necessary, although the Association does not intend to spend for these purposes. Additionally, to assist in managing unanticipated liquidity needs, the Association has a \$750,000 line of credit available, which could be drawn upon.

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 and approved by the Board of Directors. 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.

### Certificate of Deposit

The Association has a certificate of deposit with an initial maturity date of greater than three months, which is subject to annual renewal. The investment is valued at cost plus accrued interest earned and is readily convertible to cash, but may be subject to a penalty upon conversion. The investment bears interest at a rate of 8.00% and 0.55% at July 31, 2024 and 2023, respectively, and will mature in June 2025.

### Investments

The Association invests in various marketable securities, all of which are considered trading securities. Marketable securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the fair value of these investments may occur in the near term, which could be material.



# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

July 31, 2024 and 2023

### Investments (continued)

Investments at cost and fair value consist of the following:

	July 31, 2024				Fair Value
	Cost	Level 1	Level 2	Level 3	
Cash and money market	\$ 7,850,595	\$ 7,850,595	\$ -	\$ -	\$ 7,850,595
Equity securities:					
Domestic equity		1,842,430	-	-	1,842,430
International equity		484,587	-	-	484,587
Total equity securities	1,925,227	2,327,017	-	-	2,327,017
Fixed income	1,680,271	1,560,222	-	-	1,560,222
Alternative	10,382	14,201	-	-	14,201
<b>Total Investments</b>	<b>\$ 11,466,475</b>	<b>\$ 11,752,035</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,752,035</b>

  

	July 31, 2023				Fair Value
	Cost	Level 1	Level 2	Level 3	
Cash and money market	\$ 8,070,506	\$ 8,070,503	\$ -	\$ -	\$ 8,070,503
Equity securities:					
Domestic equity		1,621,658	-	-	1,621,658
International equity		443,511	-	-	443,511
Total equity securities	1,967,406	2,065,169	-	-	2,065,169
Fixed income	1,519,102	1,383,606	-	-	1,383,606
Alternative	21,048	15,737	-	-	15,737
<b>Total Investments</b>	<b>\$ 11,578,062</b>	<b>\$ 11,535,015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,535,015</b>

The Association's investments consisting of cash and money market funds are presented as noncurrent within investments based on the intent to continue to reinvest these assets on a long-term basis. Money market funds are valued at cost, which approximates fair value. Equity securities and fixed income mutual fund and exchange traded fund investments are valued at quoted market prices for the number of shares held by the Association at year-end.

The methods of valuation might produce a fair value calculation that may 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 investments could result in a different fair value measurement at the reporting date. There were no changes in valuation methodology during 2024.

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

July 31, 2024 and 2023

### Property and Equipment

Property and equipment consisted of the following at July 31:

	2024	2023
Land	\$ 269,000	\$ 269,000
Furniture and equipment	3,174,040	3,117,624
Buildings and improvements	2,632,982	2,474,057
Vehicles	46,340	46,339
	<b>6,122,362</b>	5,907,020
Less: accumulated depreciation	<b>(4,728,748)</b>	(4,593,068)
<b>Property and Equipment, net</b>	<b>\$ 1,393,614</b>	<b>\$ 1,313,952</b>

### Line of Credit

The Association has a \$750,000 revolving line of credit with a financial institution which is due on demand. Interest is payable monthly and is calculated using Prime Rate of interest less 0.25%. There were no borrowings outstanding on the line of credit as of July 31, 2024 or 2023.

### Retirement Plan

The Association sponsors a defined contribution retirement plan for all full-time employees. The Association makes an annual discretionary contribution to the Plan, which was 8% of eligible employee compensation for both years ended July 31, 2024 and 2023. Additionally, the Association matched 100% of employee contributions up to 3% of eligible compensation. Employees are eligible to contribute a portion of their salary, up to regulatory contribution ceilings, in addition to the amount contributed by the Association. Total employer contributions to the Plan amounted to \$182,683 and \$174,762 for the years ended July 31, 2024 and 2023, respectively.

### Operating Leases

The Association leases certain office equipment under noncancellable operating leases, which expire at various dates through 2029. The Association has elected not to apply the provisions of ASC Topic 842, *Leases*, to its current lease arrangements which are greater than 12 months due to immateriality of these amounts. Therefore, no right-of-use (ROU) asset or lease liability has been recorded.

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

July 31, 2024 and 2023

### Operating Leases (continued)

Future maturities of operating leases as of July 31, 2024 are as follows:

Year Ending	Amount
2025	\$ 95,404
2026	41,495
2027	41,495
2028	41,495
2029	41,495
<b>Total</b>	<b>\$ 261,384</b>

Lease expense is included in the lease and service contracts line in the accompanying statements of functional expenses, and amounted to \$89,038 and \$97,527, for the years ended July 31, 2024 and 2023, respectively.

### Board Designations

The Association started the Board-Designated Reserve Fund to have a funding source for extraordinary or unforeseen expenditures. The value of the fund at July 31, 2024 and 2023 was \$487,563 and \$590,736, respectively.

Funds have also been designated for the Fred Durkle Scholarship Fund and the Rossi-Denney Scholarship Fund to be presented to senior athletes in the names of the late Fred Durkle, John Rossi and Bob Denney. For the year ended July 31, 2024, no scholarships were presented from these funds. For the year ended July, 31, 2023, \$2,000 in scholarships were presented from these funds. The amount accumulated in the Fred Durkle Scholarship Fund as of July 31, 2024 and 2023 was \$50,578 and \$46,714, respectively. The amount accumulated in the Rossi-Denney Scholarship Fund as of July 31, 2024 and 2023 was \$51,380 and \$47,455, respectively.

In 2023, the Association established the Athletic Enrichment fund for the purpose of providing contributions, on an equitable basis, to each member school's athletic department to assist with the costs of equipment, uniforms, game transportation, officials, and improving student sportsmanship and adult fan behavior. On an annual basis, the Board of Directors will approve contributions to the fund from operating cash and will invest such funds conservatively to earn interest. Annually, the Board of Directors will approve the contribution amount to each qualifying school. For the years ended July 31, 2024 and 2023, the athletic enrichment donation approved and paid to member schools totaled \$1,632,000 and \$1,017,500, respectively. The value of the fund at July 31, 2024 and 2023 was \$2,557,431 and \$3,037,327, respectively.

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Notes to Financial Statements

July 31, 2024 and 2023



### **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 with accounting and clerical services for no charge with a fair value of approximately \$5,000 for the year ended July 31 2023. In December 2023, the Foundation's Board of Directors approved a plan to dissolve the Foundation and distributed the residual cash balance post-dissolution of approximately \$8,000 to the Association. 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.

### **Concentrations**

At July 31, 2024, one corporate sponsorship represented 83% of accounts receivable. At July 31, 2023, two corporate sponsorships represented 93% of accounts receivable.

### **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.

### **Subsequent Events**

Management has evaluated subsequent events through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Statement of Activities and Change in Net Assets by District

### For the Year Ended July 31, 2024 (with Comparative Totals for 2023)

								Total All Districts	
	Columbus	Central	East	Northeast	Northwest	Southeast	Southwest	2024	2023
<b>Revenue and Other Gains</b>									
Tournament revenue:									
Football	\$ 6,674,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,674,500	\$ 5,944,830
Soccer	611,041	187,620	47,468	391,589	219,624	69,887	326,068	1,853,297	1,705,867
Volleyball	450,618	102,599	56,468	195,997	225,073	71,982	145,830	1,248,567	1,093,509
Cross country	425,426	31,168	9,167	32,484	34,663	10,025	36,278	579,211	562,848
Field hockey	69,774	-	-	-	-	-	-	69,774	64,169
Girls tennis	11,196	8,690	-	12,594	5,286	511	12,521	50,798	54,953
Golf	64,464	10,288	3,632	13,168	17,296	7,016	12,304	128,168	123,327
Spirit cheer	19,717	-	-	-	-	-	-	19,717	18,897
Total fall sports	8,326,736	340,365	116,735	645,832	501,942	159,421	533,001	10,624,032	9,568,400
Boys basketball	1,542,315	307,308	165,912	487,707	603,809	283,354	488,930	3,879,335	3,858,956
Girls basketball	719,314	146,839	85,114	236,279	320,192	107,391	177,605	1,792,734	1,795,302
Ice hockey	212,334	-	-	-	-	-	-	212,334	253,510
Bowling	38,435	18,394	4,996	29,127	16,950	3,203	22,558	133,663	132,636
Gymnastics	17,400	3,605	-	8,570	2,512	-	2,440	34,527	37,858
Swimming and diving	130,195	39,349	2,696	48,319	40,282	3,760	50,078	314,679	300,940
Wrestling	910,393	50,161	10,691	85,079	71,388	12,764	65,896	1,206,372	1,040,620
Total winter sports	3,570,386	565,656	269,409	895,081	1,055,133	410,472	807,507	7,573,644	7,419,822
Baseball	374,733	98,290	46,022	142,630	136,612	54,511	108,131	960,929	1,080,096
Softball	221,730	59,447	29,485	88,993	96,518	33,246	66,987	596,406	697,677
Lacrosse	615,008	-	-	-	-	-	-	615,008	571,112
Boys tennis	9,268	7,689	-	10,375	6,195	206	7,108	40,841	48,550
Track & field	746,031	78,562	27,208	133,251	125,163	21,530	97,120	1,228,865	1,231,188
Boys volleyball	104,203	-	-	-	-	-	-	104,203	128,760
Total spring sports	2,070,973	243,988	102,715	375,249	364,488	109,493	279,346	3,546,252	3,757,383
Total tournament revenue	13,968,095	1,150,009	488,859	1,916,162	1,921,563	679,386	1,619,854	21,743,928	20,745,605
Other revenue:									
Corporate sponsors	1,338,686	-	-	-	-	-	-	1,338,686	1,254,707
Officials permit fees	1,125,272	-	-	-	-	-	-	1,125,272	1,136,016
Media rights	408,581	-	-	-	-	-	-	408,581	399,000
Miscellaneous	248,715	-	-	-	-	-	-	248,715	352,927
Total other revenue	3,121,254	-	-	-	-	-	-	3,121,254	3,142,650
Service revenue:									
Membership revenue	735,256	-	-	-	-	-	-	735,256	727,500
Coach's education	360,108	-	-	-	-	-	-	360,108	438,104
Total service revenue	1,095,364	-	-	-	-	-	-	1,095,364	1,165,604
Other changes in net assets:									
Interest and dividend income	234,974	37,403	34,922	24,232	60,506	29,309	50,476	471,822	241,625
Grant revenue	25,000	-	-	-	-	-	-	25,000	25,000
Net realized and unrealized gain on investments	119,645	39,221	36,620	25,410	63,447	30,735	52,930	368,008	122,119
Total other changes	379,619	76,624	71,542	49,642	123,953	60,044	103,406	864,830	388,744
<b>Total Revenue and Other Gains</b>	<b>\$ 18,564,332</b>	<b>\$ 1,226,633</b>	<b>\$ 560,401</b>	<b>\$ 1,965,804</b>	<b>\$ 2,045,516</b>	<b>\$ 739,430</b>	<b>\$ 1,723,260</b>	<b>\$ 26,825,376</b>	<b>\$ 25,442,603</b>

See Independent Auditor's Report.

# OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

## Statement of Activities and Change in Net Assets by District (continued) For the Year Ended July 31, 2024 (with Comparative Totals for 2023)

								Total All Districts	
	Columbus	Central	East	Northeast	Northwest	Southeast	Southwest	2024	2023
Direct Tournament Expenses:									
Football	\$ 3,202,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,202,507	\$ 2,826,012
Soccer	490,352	145,840	47,949	326,474	152,634	60,419	244,417	1,468,085	1,346,774
Volleyball	294,822	96,587	48,852	194,853	142,140	54,564	146,138	977,956	904,411
Cross country	235,175	23,771	4,939	36,543	42,611	7,604	37,030	387,673	363,340
Field hockey	63,993	-	-	-	-	-	-	63,993	58,641
Girls tennis	44,205	17,087	-	18,131	11,262	3,889	16,842	111,416	83,722
Golf	135,007	52,795	18,384	88,359	82,510	41,039	64,959	483,053	420,937
Spirit cheer	2,024	-	-	-	-	-	-	2,024	2,158
Total fall sports	4,468,085	336,080	120,124	664,360	431,157	167,515	509,386	6,696,707	6,005,995
Boys basketball	815,579	175,386	72,207	334,084	352,613	159,838	370,554	2,280,261	2,099,793
Girls basketball	528,608	126,096	63,505	269,050	292,493	78,295	208,493	1,566,540	1,430,381
Ice hockey	160,261	-	-	-	-	-	-	160,261	156,895
Bowling	54,103	37,496	11,273	58,496	40,554	6,582	65,599	274,103	231,814
Gymnastics	39,504	-	-	28,464	7,227	-	9,527	96,614	100,093
Swimming and diving	118,522	64,771	3,508	75,983	49,363	6,267	102,830	421,244	391,495
Wrestling-individual	716,016	90,090	20,460	127,641	106,459	18,551	129,227	1,208,444	1,021,793
Total winter sports	2,432,593	505,731	170,953	893,718	848,709	269,533	886,230	6,007,467	5,432,264
Baseball	317,216	83,905	45,172	180,981	121,664	63,573	109,636	922,147	847,726
Softball	273,280	77,039	40,731	171,314	117,577	53,561	101,358	834,860	833,006
Lacrosse	439,458	-	-	-	-	-	-	439,458	399,947
Boys tennis	22,161	15,299	29	18,373	15,306	817	14,711	86,696	82,000
Track and field	823,967	81,184	23,208	210,724	106,768	23,239	149,040	1,418,130	1,235,010
Boys volleyball	151,608	-	-	-	-	-	-	151,608	140,871
Total spring sports	2,027,690	257,427	109,140	581,392	361,315	141,190	374,745	3,852,899	3,538,560
Special Awards	-	-	-	-	-	-	-	-	-
Total direct tournament expenses	8,928,368	1,099,238	400,217	2,139,470	1,641,181	578,238	1,770,361	16,557,073	14,976,819
Operating expenses:									
Salaries and wages	2,040,862	43,001	37,450	51,341	48,530	45,377	42,967	2,309,528	2,258,322
Insurance	858,621	-	-	-	-	-	-	858,621	904,501
Payroll taxes and benefits	566,045	4,246	3,133	4,195	3,980	3,471	3,287	588,357	550,523
Rulebooks and officiating	560,673	-	105	-	-	-	-	560,778	537,837
Lease and service contracts	86,467	-	579	-	-	-	1,992	89,038	383,477
Consultant fees	344,397	3,535	3,300	2,290	5,718	2,770	4,771	366,781	307,072
Office expense	418,535	343	900	1,540	3,071	729	2,174	427,292	389,555
Board and staff travel	396,513	15,189	22,698	13,505	47,148	32,921	17,004	544,978	419,436
Legal fees	169,590	-	-	-	-	-	-	169,590	115,584
Depreciation	137,689	-	24	-	-	-	533	138,246	116,767
Bank and merchant fees	128,015	3,453	1,394	6,923	4,245	2,009	4,856	150,895	152,348
Scholarships	194,118	-	-	10,874	4,446	1,050	7,421	217,909	192,696
Repairs and maintenance	150,670	-	-	-	-	-	-	150,670	149,783
Clinics and meetings	126,603	8,096	-	-	6,996	-	4,395	146,090	82,267
Contract labor	-	5,775	10,700	6,000	9,150	3,850	18,300	53,775	47,942
Printing	62,097	-	-	-	-	-	980	63,077	53,236
Miscellaneous expenses	97,653	120	1,220	2,204	2,805	1,286	1,238	106,526	46,538
Grant program expenses	35,000	-	-	-	-	-	-	35,000	35,000
Audit fees	36,060	-	-	-	-	-	-	36,060	32,000
Other taxes and licenses	2,227	-	-	-	-	-	-	2,227	3,022
Athletic enrichment donations	1,632,000	-	-	-	-	-	-	1,632,000	1,017,500
Loss on disposal of assets	-	-	-	-	-	-	-	-	11,667
Total operating expenses	8,043,835	83,758	81,503	98,872	136,089	93,463	109,918	8,647,438	7,807,073
Total Expenses	16,972,203	1,182,996	481,720	2,238,342	1,777,270	671,701	1,880,279	25,204,511	22,783,892
<b>Change in Net Assets without Donor Restrictions</b>	<b>\$ 1,592,129</b>	<b>\$ 43,637</b>	<b>\$ 78,681</b>	<b>\$ (272,538)</b>	<b>\$ 268,246</b>	<b>\$ 67,729</b>	<b>\$ (157,019)</b>	<b>\$ 1,620,865</b>	<b>\$ 2,658,711</b>

See Independent Auditor's Report.