

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION  
Columbus, Ohio

Financial Statements  
and Supplementary Information  
For the years ended July 31, 2018 and 2017  
  
and Independent Auditors' Report Thereon



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MANAGEMENT DISCUSSION AND ANALYSIS  
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*Introduction and Background*

The Ohio High School Athletic Association (OHSAA or Association) has served Ohio's citizens and educational community since 1907 as the governing body for interscholastic athletics. Annually, hundreds of thousands of students receive the benefits of interscholastic athletics, through the provision of learning through participation and developing positive traits of citizenship to serve students throughout the remainder of their lives.

The OHSAA is not a state agency or instrumentality of the state. Therefore, it does not receive taxpayer dollars to fund the operations of the Association. All revenue is generated through the activities of the OHSAA, which primarily includes the holding of tournament events across the state for the benefit of the membership and the public.

On an annual basis, the OHSAA serves approximately 350,000 student-athletes, which ranks fifth nationally in number of students participating.<sup>1</sup> These students represent 822 member high schools, which ranks third nationally in the number of high schools participating, and 900 member junior high and middle schools during school year 2017-18.

The governance of the OHSAA is the responsibility of the Board of Directors, who set the policies and direction of the Association. Board of Directors members are elected by member school principals for a two-year term based on provisions in the OHSAA Constitution. Each of the six athletic districts in the state are represented by one or two members on the Board of Directors, based on an established rotation provided in the constitution. There are six voting members representing member schools based on size of school,<sup>2</sup> one voting member representing ethnic minority participants, one voting member representing female participants and one voting member representing middle school students, all of which are elected based on geographic locations set by the Constitution. These nine persons are joined by two non-voting members representing the State Superintendent of Public Instruction and the Ohio Interscholastic Athletic Administrators Association (OIAAA). The two non-voting members may serve longer than a two-year term, based on the provisions in the constitution. The members of the Board of Directors for the year ended July 31, 2018 are listed in Table 1.

**Table 1 – 2017-18 Board of Directors Members**

<b>Member</b>	<b>Professional Position</b>	<b>Area or Group Representative</b>
<b>Paul Powers, President</b>	Athletic Administrator, Aurora High School (Portage County)	Northeast District (AA)

<sup>1</sup> Numbers of participants are typically reported as unduplicated and duplicated in national publications. For example, in a duplicated count, a student who participates in football, basketball and baseball counts as three for each time participating. In an unduplicated count, a student is just counted once. The duplicated count for Ohio, as reported by the National Federation of State High School Associations, is 598,000, which ranks fourth nationally.

<sup>2</sup> Sizes of schools are divided into A (smallest), AA (medium) and AAA (largest) for election purposes only.

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Member	Professional Position	Area or Group Representative
<b>Rhonda Rickelman, Vice President</b>	Director of Auxiliary Planning, Gilmour Academy (Cuyahoga County)	Northeast District (Female Representative)
<b>Bob Britton</b>	Superintendent, Ridgedale Local SD (Marion County)	Central District (A)
<b>Tony Deem</b>	Superintendent, Southern Local SD (Meigs County)	Southeast District (A)
<b>Kevin Katafias</b>	Principal, Genoa Middle School (Ottawa County)	Northwest District (7 <sup>th</sup> /8 <sup>th</sup> Grade Representative)
<b>John Kronour, Ph.D.<sup>3</sup></b>	Superintendent, Northeastern Local SD (Clark County)	Southwest District (AA)
<b>Mark LaFon</b>	Athletic Administrator, Ironton High School (Lawrence County)	Southeast District (Ethnic Minority Representative)
<b>Joe Roberts</b>	Athletic Administrator, Lexington High School (Richland County)	Northwest District (AAA)
<b>Walt Skaggs, Ph.D.</b>	Superintendent, St. Clairsville- Richland City SD (Belmont County)	East District (AAA)
<b>Bruce Brown</b>	Executive Director	Ohio Interscholastic Athletic Administrators Association (non-voting)
<b>Jeremy Marks</b>	Director, Federal Programs Ohio Department of Education	State Superintendent of Public Instruction (non-voting)

The daily operations of the OHSAA are administered by the Executive Director as the Chief Executive Officer and the professional and support staff of the Association.<sup>4</sup> The Executive Director is assisted in operating sectional and district tournaments by six district athletic boards made up of nine elected volunteer members each.<sup>5</sup>

To better understand and analyze the work of the OHSAA, it is incumbent upon management to draw attention to and review financial activities of the Association and highlight conclusions regarding this data. This Management's Discussion and Analysis (MD&A) will serve as the OHSAA's communication to member schools and the public and as a supplement to the financial statements of the Association.

It is important to note the MD&A covers all OHSAA financial operations, which includes the Columbus office and each of the six district athletic boards.

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<sup>3</sup> From March 15, 2018 to May 10, 2018, Doug Foote, Athletic Administrator of New Richmond High School (Clermont County), replaced Dr. Kronour as the Southwest District representative to the Board of Directors. Dr. Kronour returned to the position on May 10, 2018.

<sup>4</sup> The title of the association's chief executive changed from Commissioner to Executive Director effective August 1, 2017, because of a referendum vote of the membership.

<sup>5</sup> The six athletic districts are the Central, East, Northeast, Northwest, Southeast and Southwest.

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### *Brief History*

The OHSAA was founded in 1907 as an outgrowth of superintendent meetings held around Ohio to discuss interscholastic competition. At that time, there were significant concerns among school administrators about school athletic programs and student athletes competing on an equal basis. Meetings of the Western Ohio Superintendent's Roundtable and the Round Table of the Central Ohio Teacher's Association occurred, and plans were adopted to establish standards for eligibility and to govern the relations between schools. The result of those meetings was the founding of the OHSAA. On November 9, 1907, the first meeting of the OHSAA Board of Control was held with George R. Eastman of Dayton Steele High School, a business and commerce teacher, being elected president.<sup>6</sup> For much of the next 20 years, Eastman served as board president and *de facto* commissioner of the OHSAA, handling much of the administrative and logistical concerns of the member schools across Ohio, despite having no formal training in athletics.

The first championship of the OHSAA was held on May 23, 1908, at Beaver Field on the campus of Denison University in Granville, Ohio. The inaugural track championship of the OHSAA included over 100 athletes representing 23 of the 30 member schools. Columbus North High School won this first championship sponsored by the OHSAA.

Since that time, the OHSAA has expanded to offer opportunities in 26 total sports for both boys and girls with the newest addition being boys and girls lacrosse during the 2016-17 school year. Table 2 illustrates the sports sponsored by the OHSAA for championships and the year the sport first had a state tournament or was officially recognized by the Association. While a Board of Directors committee is empaneled and is currently considering other sports to add to the OHSAA's repertoire, several sports are being considered for future expansion, but the Board of Directors has no sport actively on the horizon to be added to the current slate of sanctioned sports.

**Table 2 – List of Sports Historically and Currently Recognized by the OHSAA**

<b>Boys Sport (Year Tournament Recognized)</b>	<b>Girls Sport (Year Tournament Recognized)</b>
<b>Baseball (1928)</b>	
<b>Basketball (1923)</b>	<b>Basketball (1976)</b>
<b>Bowling (2007)</b>	<b>Bowling (2007)</b>
<b>Cross Country (1928)</b>	<b>Cross Country (1978)</b>
	<b>Field Hockey (1979)</b>
<b>Football (1972)</b>	
<b>Golf (1927)</b>	<b>Golf (1993)</b>
<b>Gymnastics (1926-1937; 1965-1994)<sup>7</sup></b>	<b>Gymnastics (1977)</b>
<b>Ice Hockey (1978)</b>	
<b>Lacrosse (2017)</b>	<b>Lacrosse (2017)</b>
<b>Soccer (1976)</b>	<b>Soccer (1985)</b>

<sup>6</sup> The name of the governing board changed from the Board of Control to the Board of Directors during the 2008-09 school year.

<sup>7</sup> Boys Gymnastics is not currently recognized by the Board of Directors as an OHSAA state championship event.

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Boys Sport (Year Tournament Recognized)	Girls Sport (Year Tournament Recognized)
	Softball (1978)
Swimming & Diving (1928)	Swimming & Diving (1977)
Tennis (1920)	Tennis (1976)
Track & Field (1908)	Track & Field (1975)
	Volleyball (1975)
Wrestling (1938, 2013) <sup>8</sup>	

The day-to-day administration of the OHSAA was handled by the officers and members of the Board of Directors until 1925, when a full-time commissioner was hired. The first commissioner, Horace Raymond (H.R.) Townsend, principal of Hamilton High School in Butler County, was charged with overseeing the activities of the OHSAA, establishing rules and regulations with Board approval and handling student eligibility rulings. Known during his time as Commissioner as “Judge” for his fair disposition, even-handed rulings and universal respect, Townsend shaped much of the early history of the organization and put the OHSAA on a firm footing to become a nationally respected service organization and membership association. Since 1925, only ten people have held the position of Commissioner or Executive Director as detailed in Table 3.

**Table 3 – Commissioners/Executive Directors of the OHSAA**

Commissioner/Executive Director	Years of Service
Horace Raymond (H.R.) Townsend	1925-1944
Harold Emsweiler	1944-1958
William J. McConnell	1958-1963
Paul E. Landis	1963-1969
Harold A. Meyer	1969-1977
George D. Bates	1977-1980
Richard L. Armstrong	1980-1989
Clair Muscaro	1990-2004
Daniel B. Ross, Ph.D.	2004-2018
Jerry Snodgrass <sup>9</sup>	2018 - present

#### *General Financial Information*

The OHSAA receives no taxpayer funding to fund programs for the benefit of member schools or student-athletes. The primary funding sources, shown in Figure 1, for the past 10 years as a percentage of total

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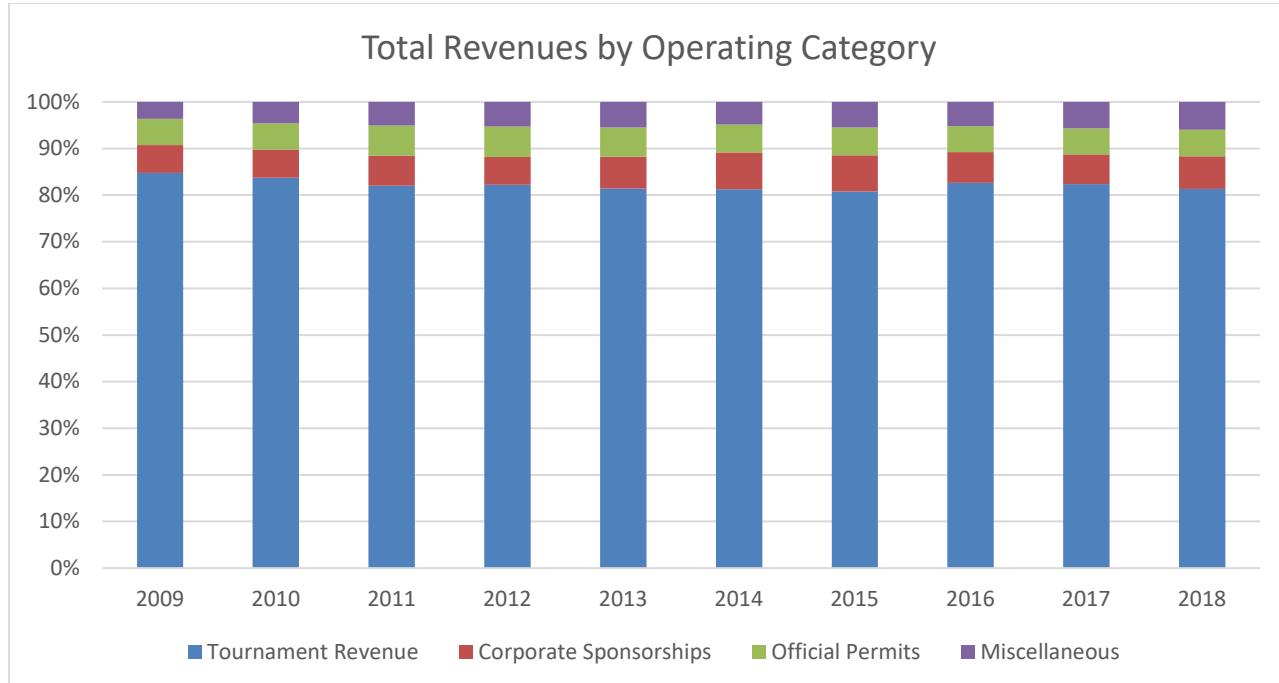
<sup>8</sup> Wrestling is made up of the individual tournament, which was started in 1938, and the team tournament, which started in 2013.

<sup>9</sup> Mr. Snodgrass officially became Executive Director of the Association on July 9, 2018, following Dr. Ross’ resignation from the position.

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revenue, are ticket revenues from tournament events, officiating permit fees, corporate sponsorships and miscellaneous revenues.

**Figure 1**

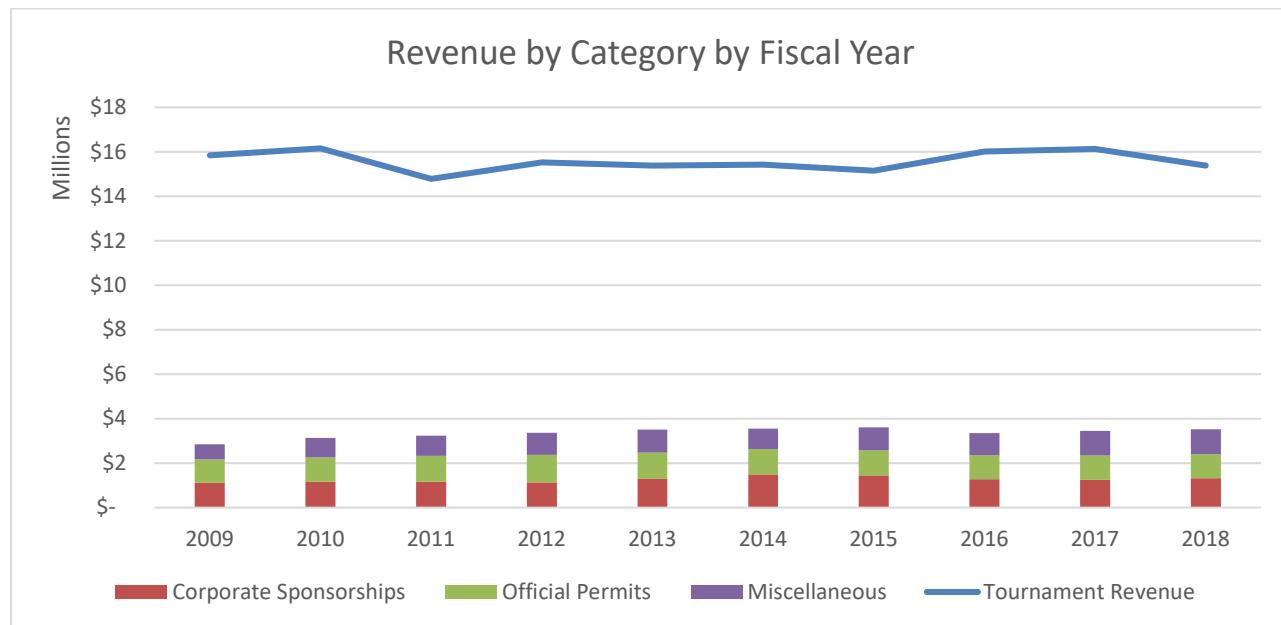


As indicated in Figure 1, the percentage of total revenue attributable to tournament competition has slowly decreased over the last 10-year period. As societal demographics have shifted, high school activities are competing with numerous other entertainment options, electronic device usage, widespread collegiate and professional sports options and limited finances for those who would otherwise attend events. Generally, this has caused a decrease in tournament revenues for not only the OHSAA but also other state associations across the country. Nationally, state associations have been forced to either cut back on activity offerings or restructure business to address the new operational reality. The OHSAA has chosen, in part, to partner with corporate sponsors to ensure programs continue at the same levels even as tournament revenue, as a percentage of the total, fluctuates. During the decade shown, corporate sponsorship revenue has continued to be a significant part of the business of the OHSAA and has helped offset lost revenue from tournaments. This is due to increased partnerships outside of the traditional ball contract agreements, which existed as the primary corporate sponsorship mechanism prior to 2008. Core partners, such as the American Dairy Association, Spectrum Sports and Nationwide Children's Hospital, have provided significant dollars to the OHSAA to reflect their support of the inherent value of high school athletics and its importance to the citizens of the state. The percentage of revenue attributable to official permits has remained constant during the 10-year period, although recent trends have shown a decrease in the number of persons holding an officiating permit.

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From a revenue standpoint, Figure 2 illustrates the total revenues of the association by major category during the last decade. This figure indicates a generally flat gross revenue generated by tournament activities for the OHSAA, although there was an increase for 2017 to the highest level since 2010. During the period, periodic adjustments to ticket prices to accommodate changing economic realities have occurred but have not increased the gross revenue into the OHSAA. Within the tournament structure, additional divisions have been added over the last decade, particularly in soccer, swimming & diving, and football, adding an admissions charge to regional cross country events, as well as additions of lacrosse, the middle school state track meet and cross country invitationals. These changes have not added significant gross revenue to the OHSAA. This figure also illustrates the increasing reliance the OHSAA has placed on corporate sponsorships.

**Figure 2**



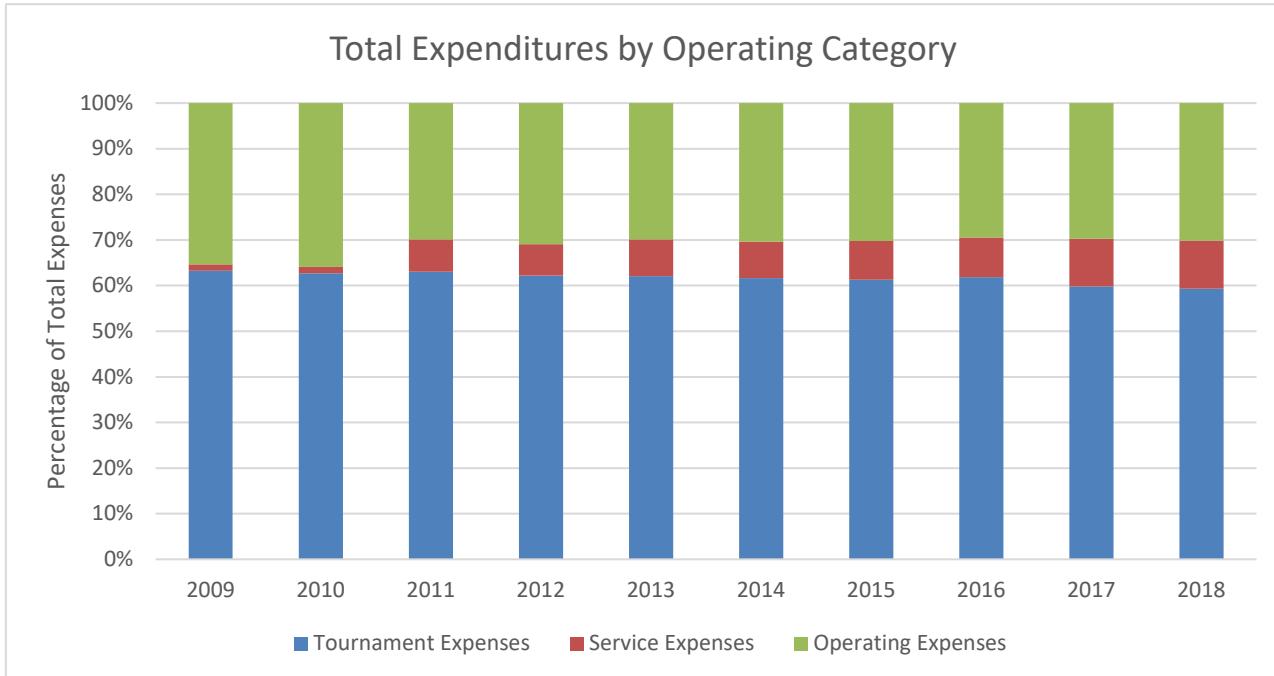
It is important to note the OHSAA does not charge member schools tournament entry fees or membership fees to sustain operations, except in limited circumstances. In fact, Ohio is one of the very few states that charges limited tournament entry fees<sup>10</sup> or no membership fee to its members in its normal course of business. Many other youth sports programs, including the Amateur Athletic Union (AAU), for-profit junior high/middle school groups, and other youth sports, such as recreational and travel leagues, charge individuals and/or teams a sometimes significant fee to participate in the tournaments and activities of those entities. Because the OHSAA charges very limited entry fees and no membership fees, this business model is tremendously helpful to those participating parents and students who do not have to pay additional costs to participate in high-quality tournaments and activities, providing all student athletes, regardless of economic status, an opportunity to learn the value of athletic competition and citizenship values.

<sup>10</sup> Tournament entry fees are limited to lacrosse and team wrestling because of those sports' classification as emerging sports by the Board of Directors, and middle school events such as the high school and middle school cross country invitationals and the middle school state track championship.

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From an expense standpoint, much of the outlays from the OHSAA relate to the provision of tournaments as indicated in Figure 3.

Figure 3



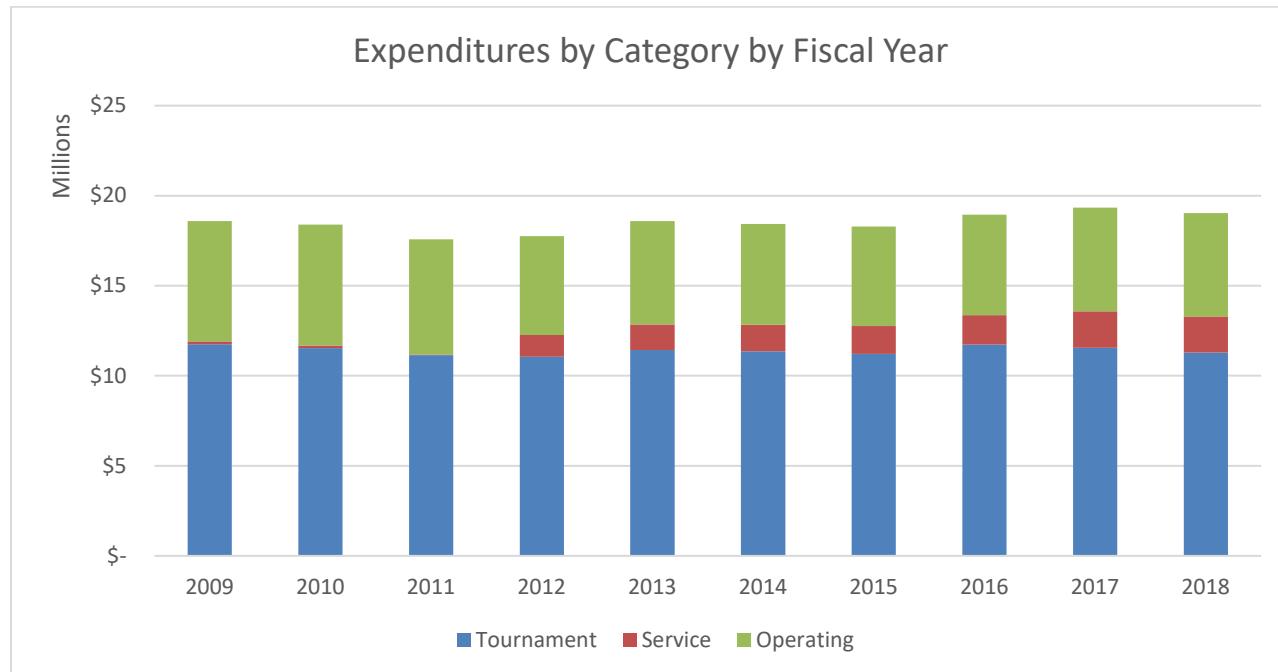
Tournament expenses as a percentage of the total have fallen over the last decade from a high of 63.2% in 2009 to a low of 59.29% in 2018. This is attributable, in part, to two significant changes in tournament operations. First, reimbursements paid for individual sports that do not have a net positive financial balance at the end of the tournament are no longer paid to member schools. These reimbursements were eliminated in 2008 for an initial five-year period with that reimbursement elimination continued by the Board of Directors for an additional five-year period through 2019. Second, a restructuring of tournament expenses was undertaken in 2011-12 and now includes the provision of flat-rate hosting fees, which cap the financial risk for the association to host tournaments.

Beginning in 2011, the OHSAA evaluated the expenses paid by the Association and elected to provide additional information to readers of the financial statements by presenting service expenses to those outside the Association. In Figure 3, the information provided for fiscal years 2009 and 2010 has not been restated from the audited financial statements despite the change in accounting presentation and reporting undertaken by the OHSAA. The change in reporting more accurately reflects the provision of services to member schools and other interested persons. Outlays presented as service expenses include, but are not limited to, catastrophic and tournament insurance for student-athletes, scholarships, rule books for member schools and officiating department expenses. During 2017, nearly 70 cents out of each dollar in expenses were spent on tournament operations or services to member schools and officials.

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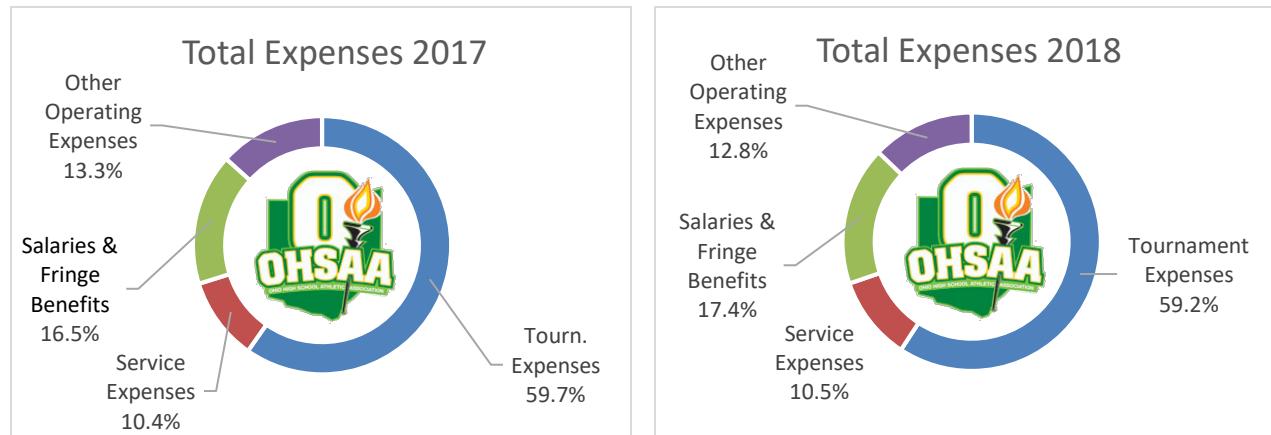
Figure 4 shows the trend for expenditures by category over the last decade. Again, the expenses for periods 2009 and 2010 have not been restated to reflect the change in accounting presentation by the OHSAA. The OHSAA has continued to evaluate and cut expenses in its operating and tournament activities. However, those cuts have been nearly offset by the increases in costs to operate the activity noted. This has resulted in a flat trend for much of the last decade for both the tournament and operating expenses.

**Figure 4**



In Figure 5, total expenses by category for the OHSAA are broken down into greater detail for 2017 and 2018, respectively.

**Figure 5**



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Clearly, the primary expense category is tournament expenses, which make up just over 59 cents out of each dollar of OHSAA spent in both 2017 and 2018. These expenses include rental of facilities from member schools and other site owners, payments to event locations for staffing, team expense reimbursements, event security and game officials. An additional 10.4 cents of each dollar in 2017 and 10.5 cents in 2018 were spent on service activities supporting the work of the OHSAA with member schools and sports officials, which as mentioned previously, includes items such as catastrophic and tournament insurance, scholarships, rule books and other related costs to member schools and sports officials. This is an important category to the book of business for the Association, as it represents the commitment of the OHSAA to serve its key constituent groups in an expanding and significant way. Items such as rule books, scholarships for student-athletes, the sportsmanship program and professional development training for officials indicate the deep commitment to providing a safe and enjoyable competitive environment throughout the Association annually.

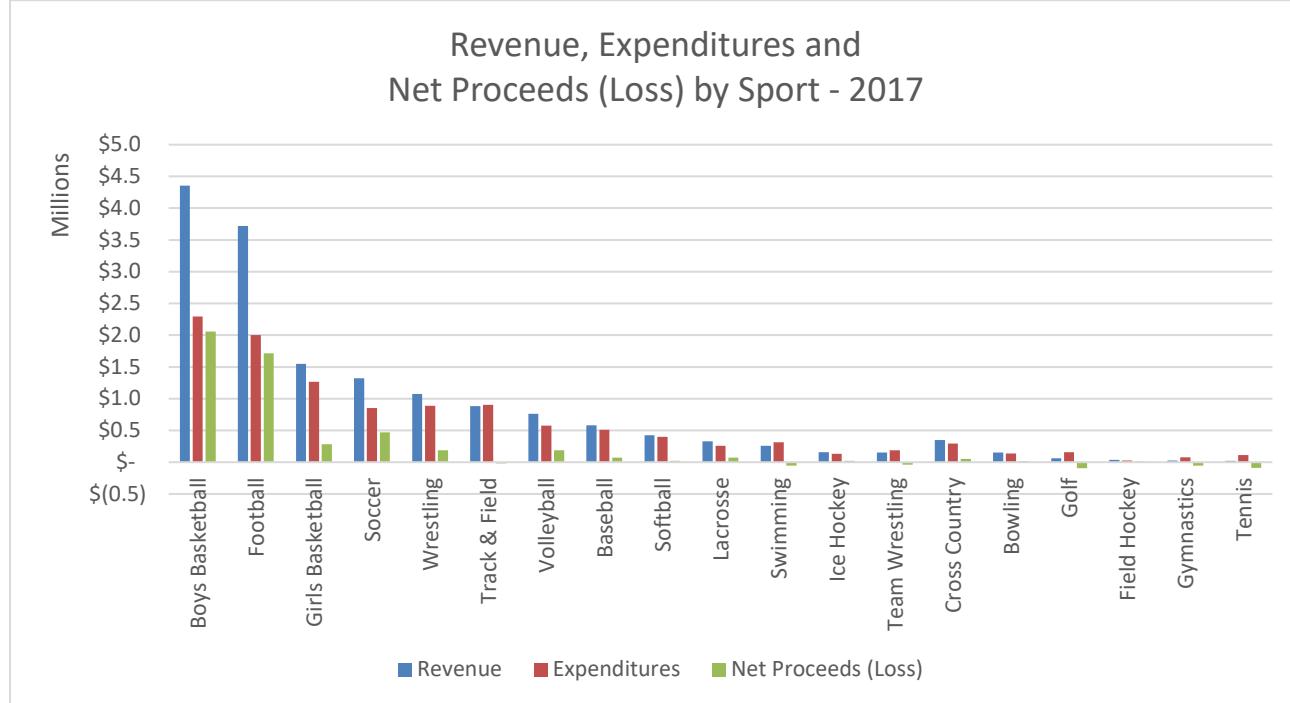
While the percentage of salaries went up .9% from 2017 to 2018, it was offset by a .5% reduction in other operating expenses for the association. This condition highlights the OHSAA's commitment to providing the maximum value to the membership when considering administrative activities.

*Tournament Activities*

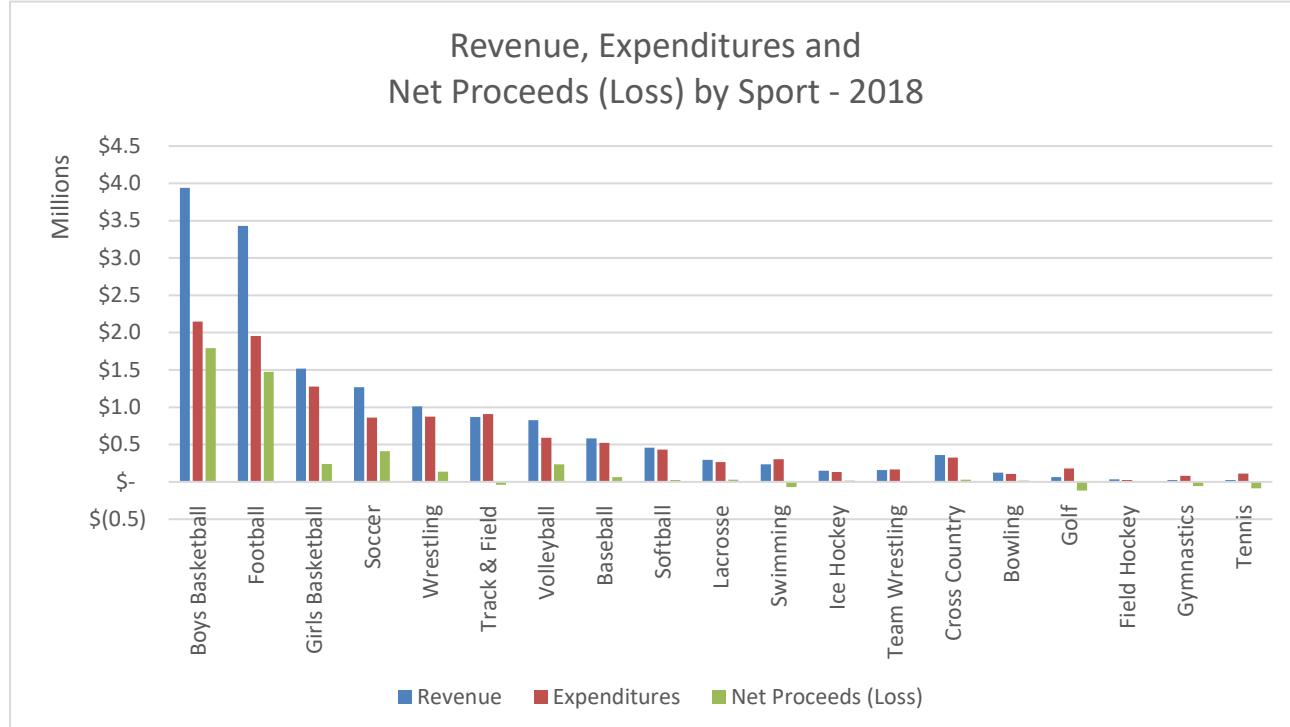
Tournament activities represent the bulk of the Association's business annually. With 26 sanctioned sports held in every corner of the state, tournament events are a critical funding component for the Association's activities. Revenue, Expenditures and Net Proceeds (Loss) by sport for 2017 and 2018 are presented in Figures 6 and 7, respectively, while the percentage each sport makes up of total OHSAA revenue and expenditures are shown in Figures 8 and 9 for 2017 and Figures 10 and 11 for 2018, respectively. Note in Figures 8 through 11, percentages may not total 100% due to rounding.

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**Figure 6**



**Figure 7**



As indicated in Figures 6 and 7, not all sports sponsored by the OHSAA have greater revenues than expenditures. For both 2017 and 2018, six sports operated at a net loss for the OHSAA. This is primarily

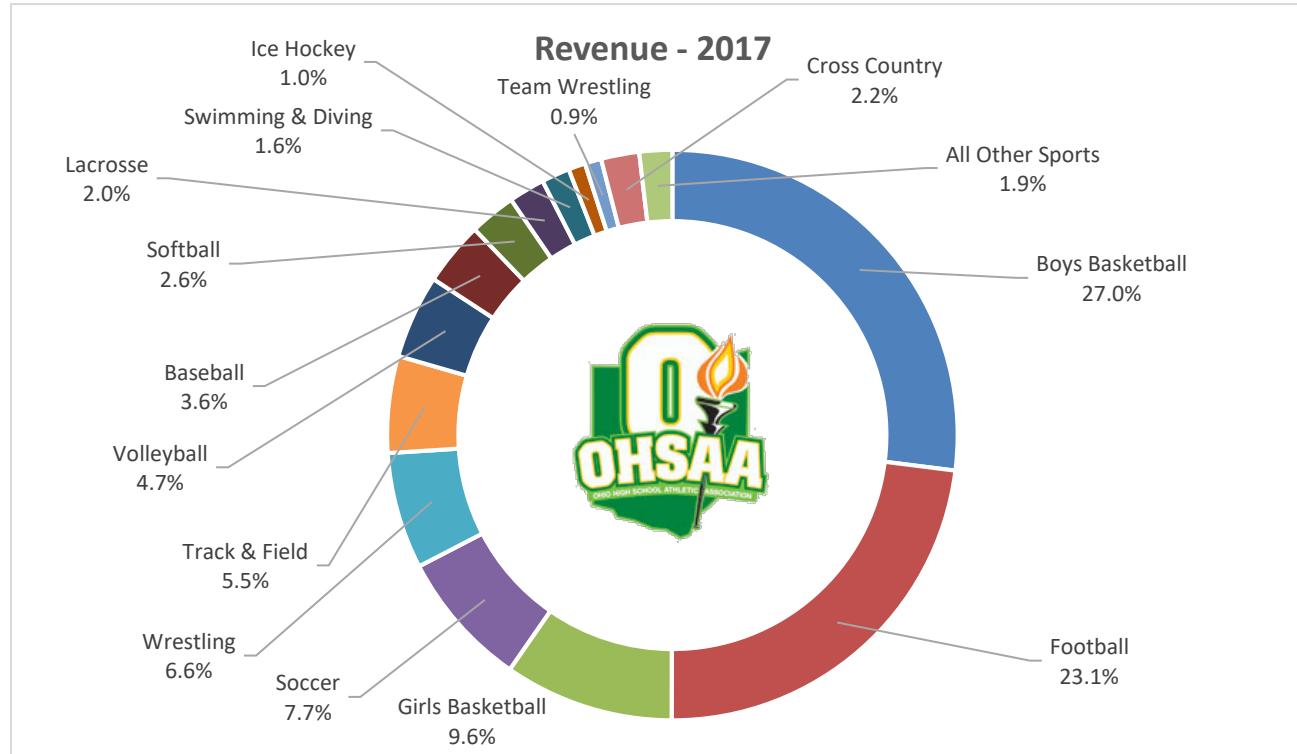
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driven by the attendance at the event, the weather or the matchups of the teams playing. Traditionally, poor weather deters persons from attending events, particularly ones held outdoors. Also, community-based teams from homogenous regions in the state traditionally have higher attendance than urban and nonpublic schools. Finally, there is a noticeable variance between some sports that have a high casual fan contingent following them versus other sports that have few casual fans in attendance. Based on these factors, a large portion of the revenue for the OHSAA can fluctuate, sometimes by large amounts, on an annual basis.

The OHSAA carefully examines the financial viability of each sport and provides the Board of Directors with financial information regarding sport performance on a regular basis. The Board of Directors used this information to determine regional cross country competitions should charge admission in 2016, which resulted in a positive net financial inflow to the Association for the first time in the sport's OHSAA history. In addition, the OHSAA is petitioned on a sporadic basis to add other sports to its list of recognized sports. Generally, at least 150 schools must participate in a sport prior to the Board of Directors considering the sport's inclusion in the cadre of sports officially contested for an OHSAA state championship.

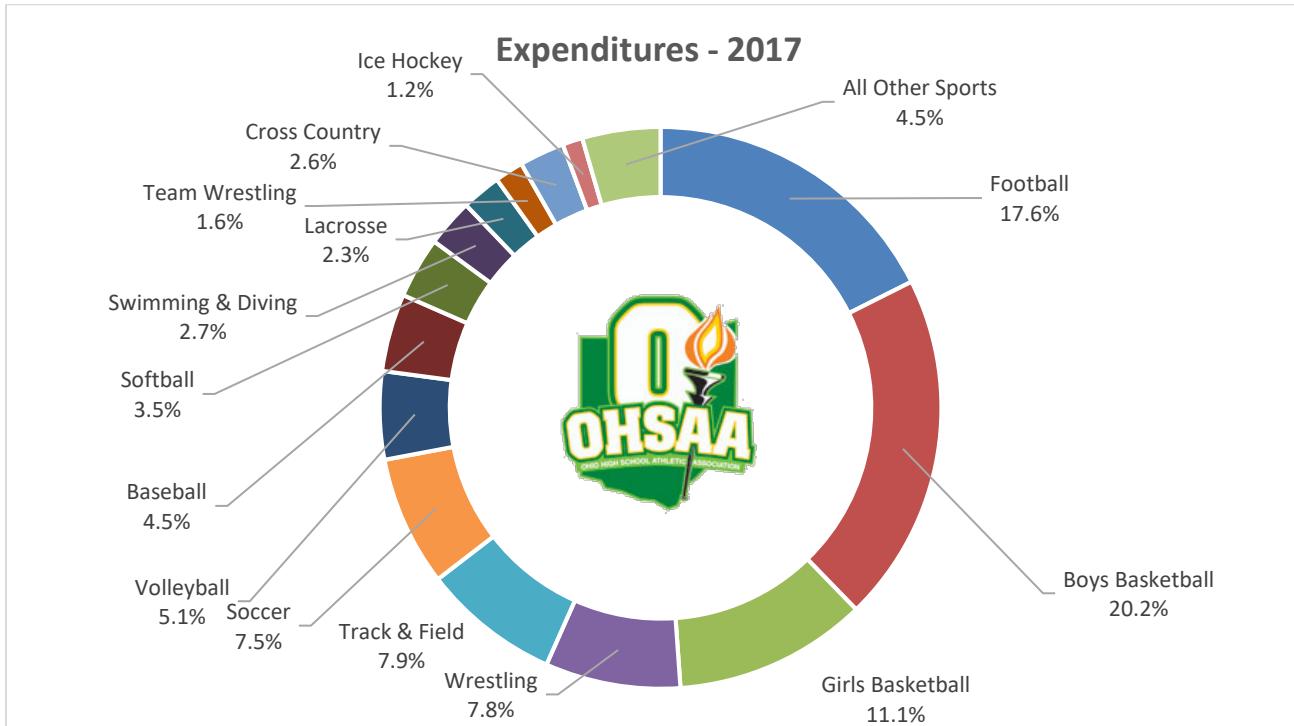
Figures 8 through 11 provide the contribution, by sport, to the OHSAA's financial condition. Clearly, several familiar sports dominate the financial status of the Association, but many other additional sports contribute, sometimes significantly, to the OHSAA's financial resources.

**Figure 8**

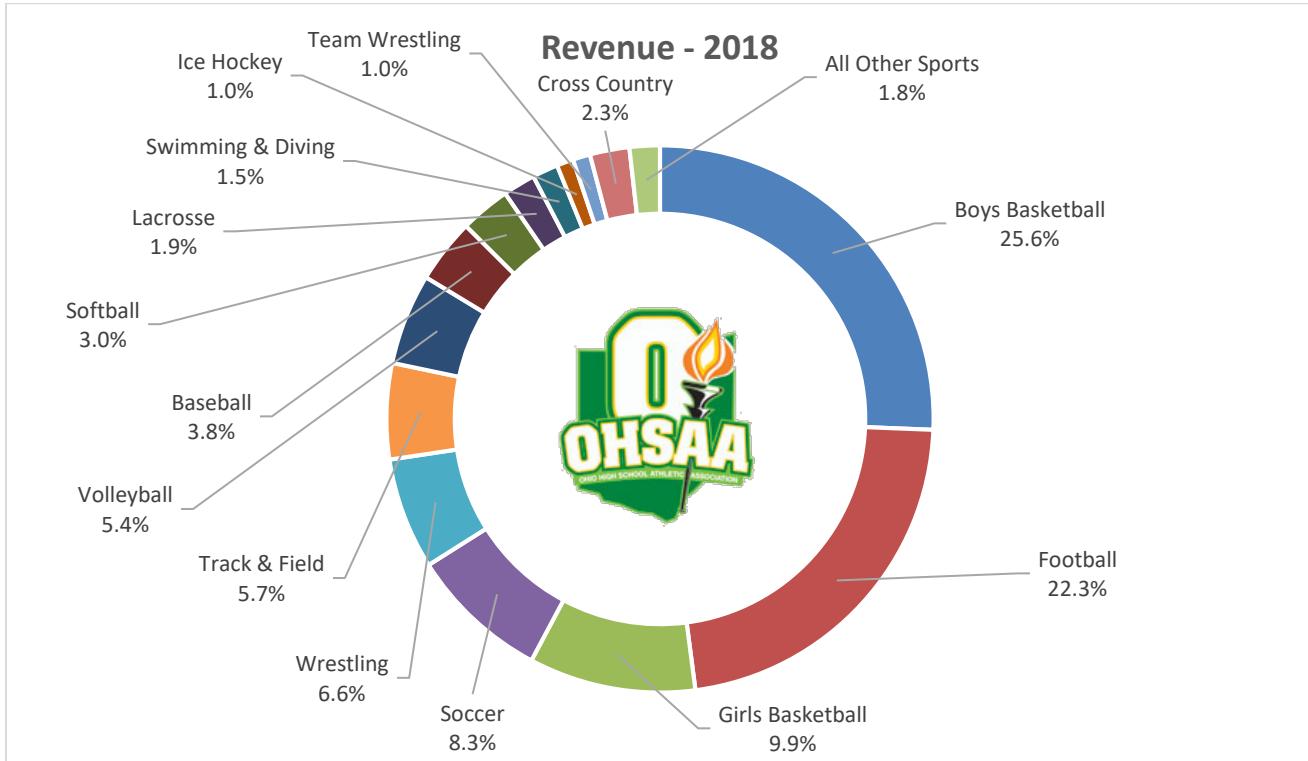


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**Figure 9**

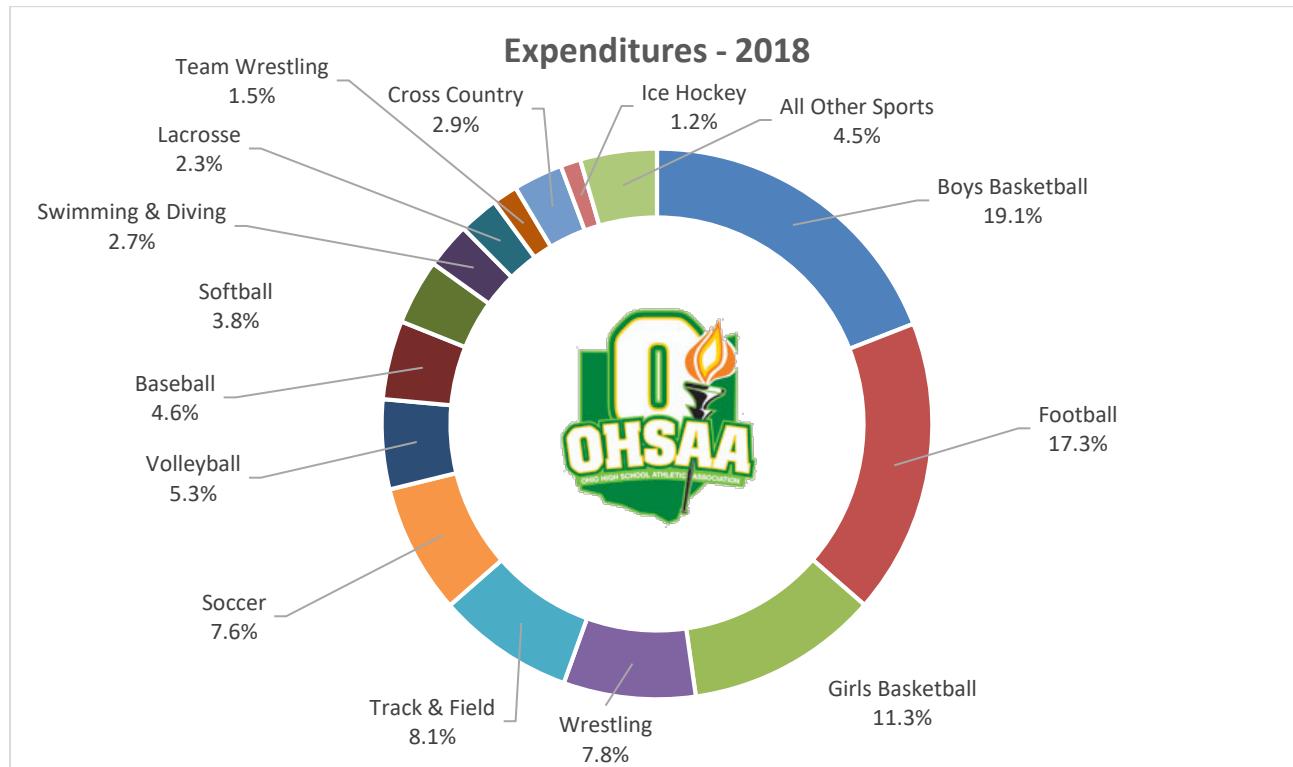


**Figure 10**



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Figure 11



A key catalyst for the tournament activities data is attendance by spectators. As previously stated, ticket sales revenue is a primary driver of revenue to the Association, making up 81% of the revenue of the OHSAA in 2018.

Figures 12 through 15 illustrate the regional and state attendance trends for the last decade.<sup>11</sup> As shown in these graphs, in selected sports, there are mixed results for attendance trends. In 9 of 19 sports, there were increases in attendance from 2017 to 2018, particularly in sports with a casual fan base. For 10 of 19 sports, there was a decrease in attendance from 2017 to 2018. There are several reasons for these trends. First, the issue of attendance variations, as previously noted, is affecting nearly all state associations across the country and member school regular season contests, as well as collegiate athletics and professional sports organizations. Several studies have been made to ascertain the root cause of these attendance variations and research continues to be undertaken to understand the issues better. Second, the effect of weather, as reported previously, is a significant factor in attendance. This is clearly illustrated by two sports, the football playoffs for 2014 and soccer playoffs in 2012. Two weeks of major snow storms impacted Ohio in the first two weeks of the football playoffs in 2014. The result was lower attendance, as people around the state were reluctant to sit in a heavy snow to watch a football game. Similarly, in 2012, Hurricane Sandy slammed into the eastern seaboard and tracked into Ohio during the heart of the soccer tournament season. While

<sup>11</sup> In most OHSAA sanctioned sports, regional and state competition are the final two levels of competition at the OHSAA. Generally, sectional and district competition are the first 2 levels of competition and are not included in the data presented. All OHSAA members participate in tournament competition in all sports except football.

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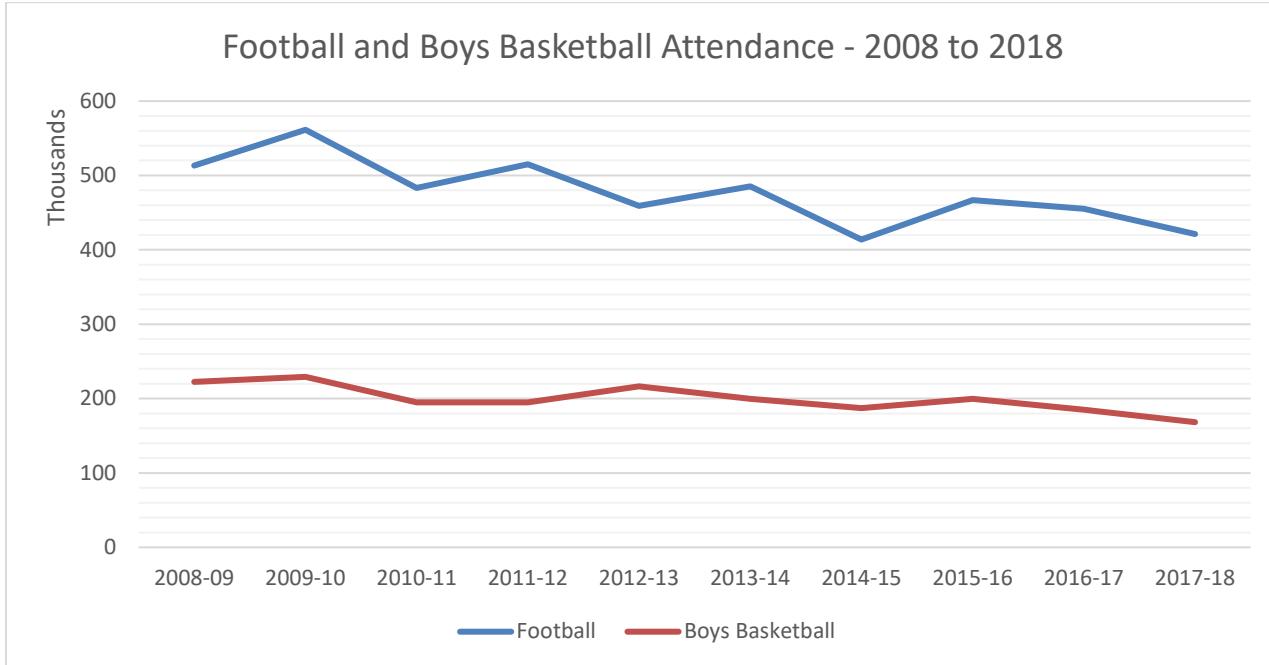
the revenue was driven down by the attendance reduction, the OHSAA incurred additional costs for snow removal and other extraordinary items related to both events. The effect of both lower attendance and higher tournament expenses caused the net proceeds to the OHSAA for these periods to decline. Finally, further analysis indicates the attendance trend, for sports with more casual fans in attendance, is fluctuating more significantly, while for those sports that have few casual fans, the attendance trend is stable over the decade shown.

There is not one specific cause that is attributable to these declines in attendance. Several sources attribute the declines to a changing demographic and culture that does not put an emphasis on school athletic and extracurricular participation. Additionally, the influx of electronic communications allows interested persons to simply monitor social media sites to display basic statistics regarding the game. Economic factors are also a part of the equation, when people must make critical choices about the economic impact of spending money on items that can be perceived as luxury items. A clear case of the economic factors at work are indicated by the attendance trends due to the Great Recession of 2008. Several sports shown in Figures 12 through 15 indicate a reduction in attendance that has still not recovered to pre-Great Recession levels as of the writing of this MD&A. Finally, the OHSAA has partnered with Spectrum Sports to provide live telecasts of games, particularly in the larger revenue sports, which may hold attendance lower at some venues, particularly when the outcome is believed to be certain in the minds of the fans or when inclement weather is imminent or threatening.

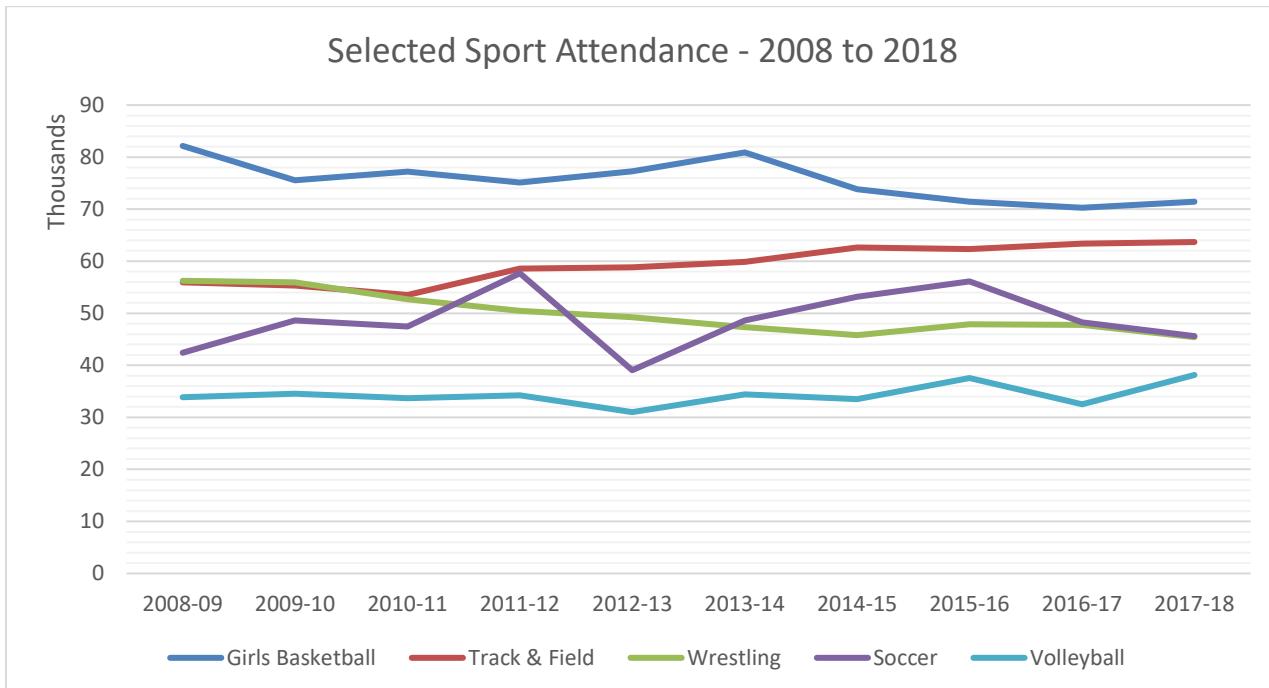
While there are several factors at play that result in declining attendance at OHSAA tournament events, the reality is these factors are working in concert to drive attendance lower in selected tournaments. With a large portion of the revenue of the OHSAA dependent on the attendance of fans at these events, it is critical for the OHSAA Board of Directors, staff and member schools to understand the data and find ways to encourage attendance at events and move these trends in a positive direction.

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**Figure 12**

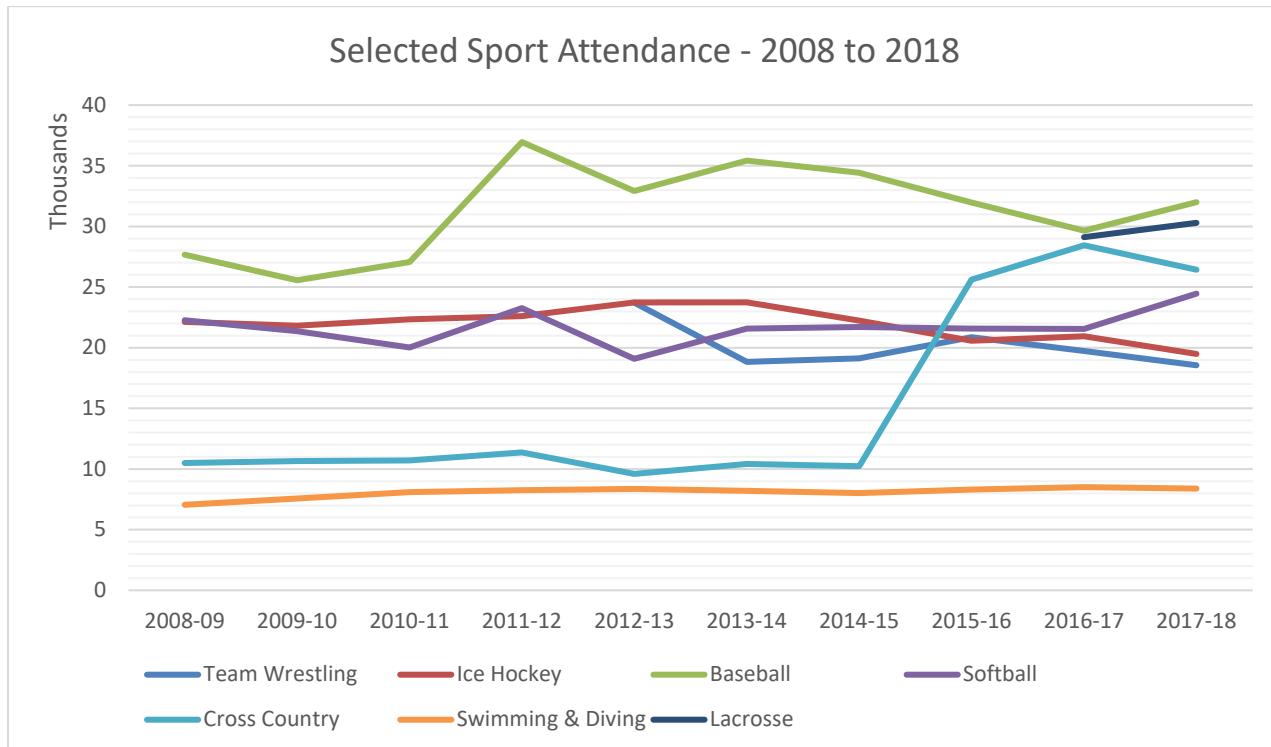


**Figure 13**

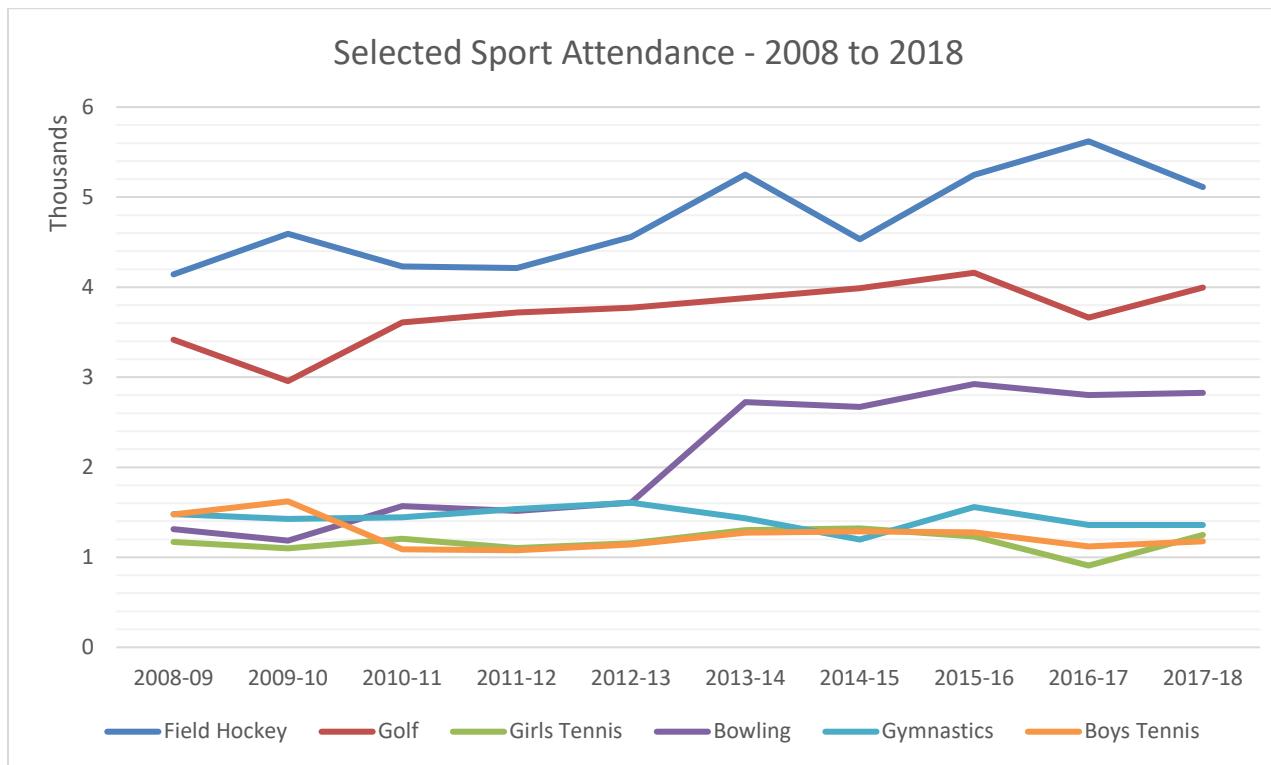


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**Figure 14**



**Figure 15**

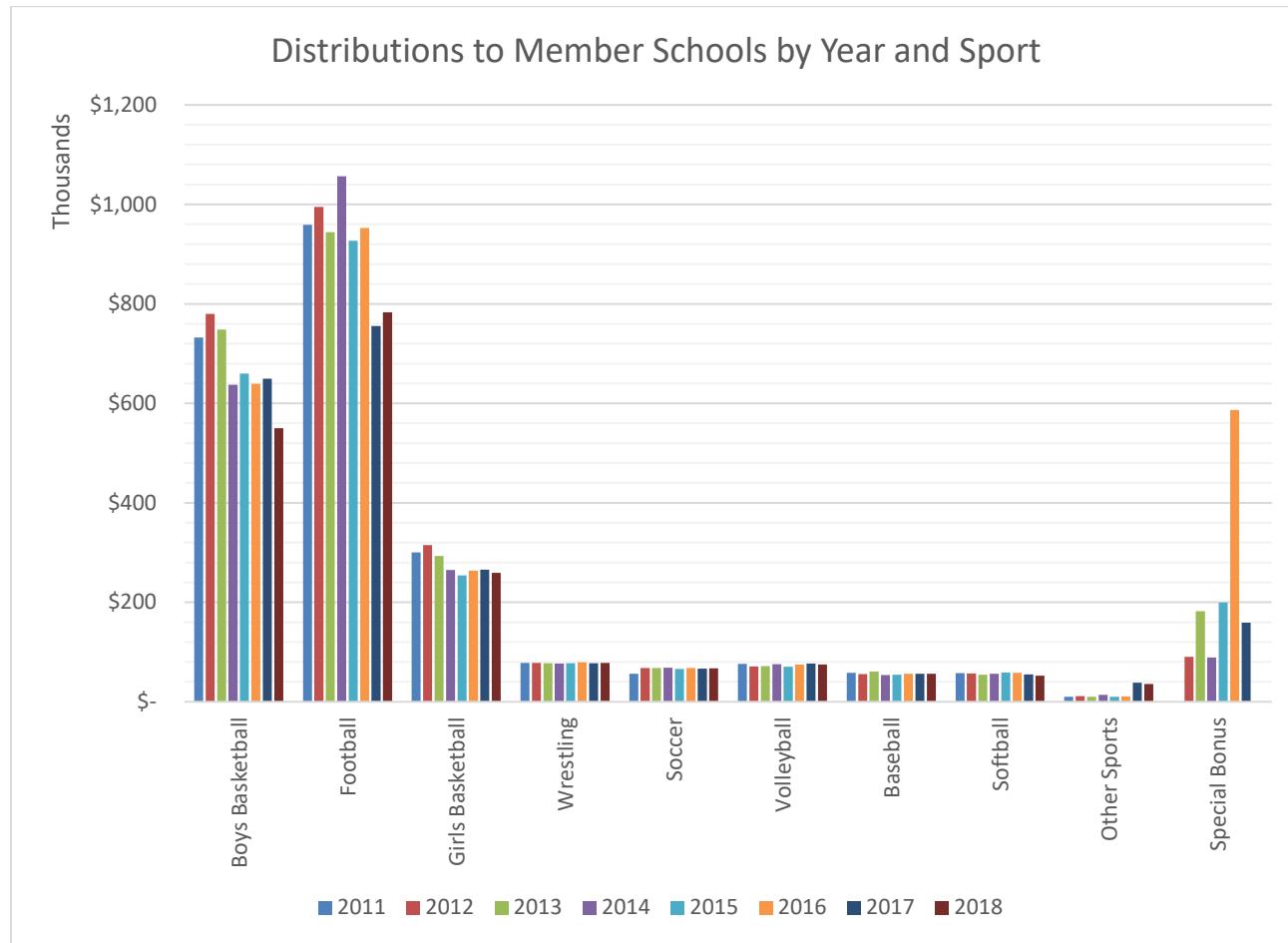


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A portion of the expenditures shown as tournament expenses previously noted are distributions to member schools as reimbursements for travel costs, presale ticket bonuses in selected sports or end-of-the-fiscal-year bonuses. From fiscal year 2006 to 2018, the OHSAA has distributed over \$31 million in total, or an average of \$2.4 million annually to member schools for these purposes. These distributions represented between 10% to 15% of the OHSAA's total annual expenditures in fiscal years 2012 through 2018. Over the period illustrated by Figure 16, the OHSAA has distributed to member schools nearly \$18 million in the aggregate. These distributions can fluctuate from year to year, particularly because the presale ticket distribution is reflective of actual tickets sold. When attendance is down at an event, this can adversely affect the presale ticket bonus portion of the distribution equation. The distributions by the OHSAA by sport are shown in Figure 16.

The OHSAA continues to evaluate these distributions considering continued increases in event and other expenses over the course of time. While the Association would like to continue this revenue sharing in perpetuity, it is unclear whether this course of action is sustainable at the current levels. The Board of Directors and staff continue to evaluate potential changes to the bonus program, including its sustainability, on an annual basis.

**Figure 16**



OHIO HIGH SCHOOL ATHLETIC ASSOCIATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JULY 31, 2018

*Service Activities*

The OHSAA provides several services to the membership, student-athletes and sports officials in Ohio. In 2018 and 2017, the total cost of all service activities to assist both member schools, officials and others outside the organization in discharging their duties was \$2,009,037 and \$2,021,978, respectively. The programs for the membership and student athletes have three major components that are significant in scope and coverage, as listed below:

- Catastrophic Accident and Tournament Accident Insurance for Participants – Provided at no cost to students, families or member schools, this is supplemental secondary insurance designed to assist with medical costs should a serious injury occur during a practice, contest or tournament event in an OHSAA recognized sport. The insurance has a \$25,000 deductible and is capped at \$500,000 lifetime benefit for the catastrophic accident insurance. Tournament accident insurance is provided to cover the \$25,000 deductible but is only available during tournament competition and remains secondary in coverage to other insurance held by the student. Annually, the catastrophic accident insurance premium is \$595,000 and the tournament accident insurance is \$14,450 for both 2017 and 2018.
- Scholarship Awards for Participants – Annually, over \$160,000 in scholarship awards are presented by the OHSAA to student-athletes to assist with post-secondary educational activities. Each award is made to a student-athlete who is not receiving any other athletic assistance of any type from any college or university. Presented in local venues, these award amounts, including stipends for ethnic minorities and females, range in amounts from \$1,000 or \$2,000 each.
- Rule Books for Member School Coaches – On a scheduled basis, the OHSAA provides, free of charge, rule books for recognized sports of the Association to each member school. These rule books, sent to the head coach at each member school, are designed to ensure players and coaches understand the rules of the game and expectations of conduct during all interscholastic contests. The cost of these rule books was \$55,872 in 2018 and \$69,935 in 2017.

Programs for officials are also a significant part of the service expense noted within the financial statements. The officiating program is a key component of the OHSAA's success through the administration of fair contests between members and throughout the Association's tournaments. Annually, sports officials register with the OHSAA by paying a permit fee that allows the holder to referee interscholastic competition in Ohio's member high and middle schools. The permit fee is currently \$65, with discounts for those officials who officiate more than one sport. Two major components of the officials' program are listed below:

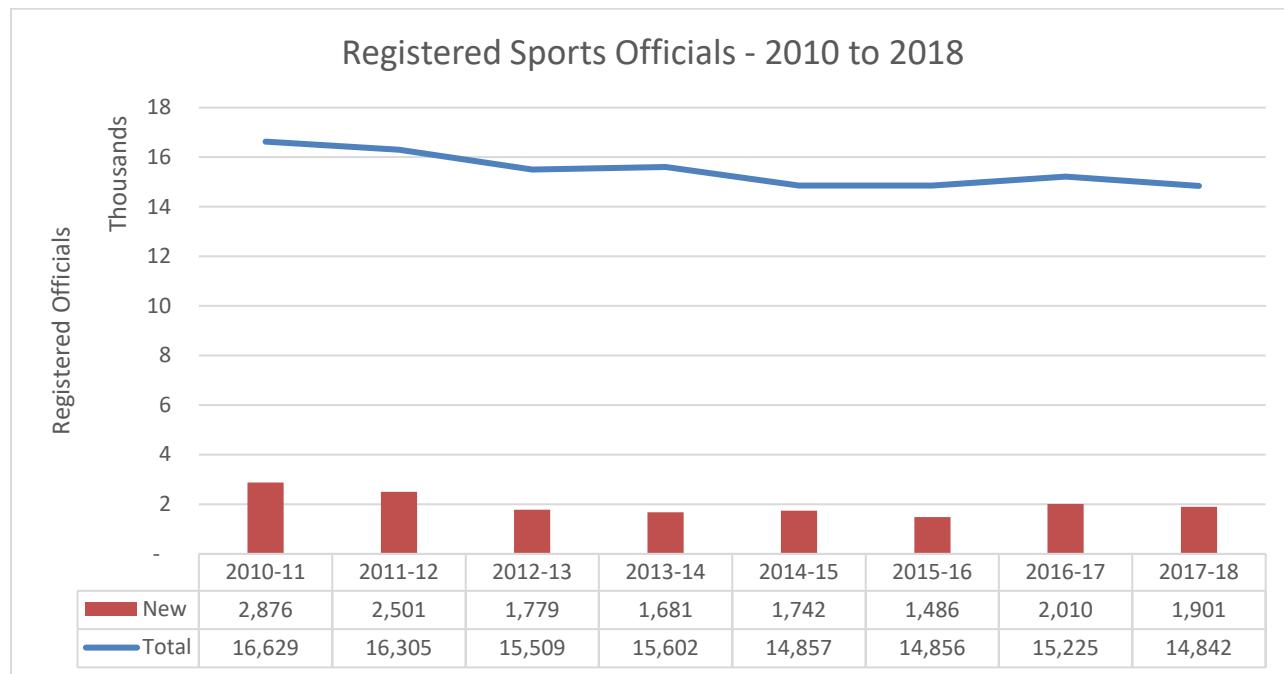
- Officials General Liability and Accident Insurance – Interscholastic sports officials receive, as a part of their officiating permit fee, a liability and excess medical accident insurance policy to protect officials in their duties of officiating interscholastic contests. The cost of those two policies was \$280,040 in 2018 and \$302,798 in 2017.
- Rule Books for Officials – Every year, each official in good standing receives a copy of the rule book, case book and officials' manual along with other materials to educate about the duties before during

**OHIO HIGH SCHOOL ATHLETIC ASSOCIATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR FISCAL YEAR ENDED JULY 31, 2018**

and after a contest. The aggregate cost of rule books, case books and officials' manuals were \$167,616 in 2018 and \$209,804 in 2017.

Over the last seven years, the number of officials registered with the OHSAA has generally declined, as shown in Figure 17, despite a small uptick in fiscal year 2017. There are likely several reasons for this decline, which is a national trend. First, with an improving economy, fewer people have free time to participate in the avocation of officiating. Very few sports officials make their living refereeing games. Thus, with more people working more hours within their careers, fewer people have the time to commit to officiating games. Second, and perhaps more concerning, is a national trend of fewer people registering to be officials because of the sporting behavior climate surrounding some youth sports. Many national studies and media articles peg the poor sportsmanship shown by spectators and parents at youth contests to be a significant contributing factor to this decline. The OHSAA continues to work, in collaboration with other state and national entities, to stem the tide of declining officials in youth sports through outreach and training programs designed to assist new and experienced officials have a positive experience in interscholastic activities as well as developing ways to encourage sporting behavior at all levels of competition. The Make the Right Call program sponsored by the National Federation of State High School Associations has been helpful in providing recruiting materials to those who are interested in giving back to their communities through sports officiating. Additionally, the OHSAA has begun to work with member schools and coaches' associations to encourage high school students to extend their enjoyment and connection with sports through the avocation of officiating.

**Figure 17**



**OHIO HIGH SCHOOL ATHLETIC ASSOCIATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR FISCAL YEAR ENDED JULY 31, 2018**

*Operational Activities and Staffing*

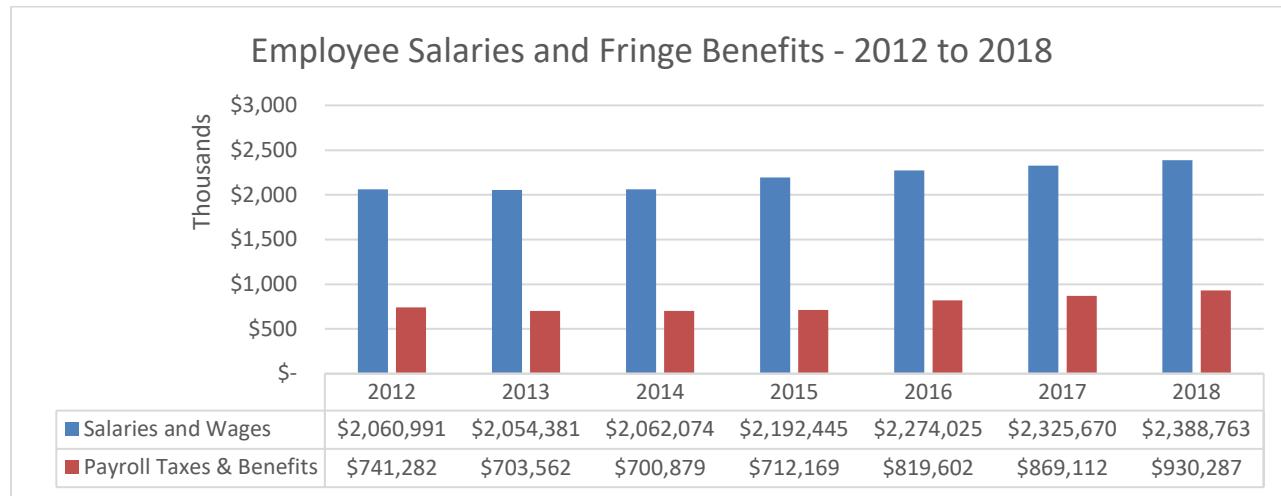
As of July 31, the operations of the OHSAA are conducted by a full-time staff of 22 members, which are broken down as follows:

- Eight administrative staff consisting of the Executive Director and various Senior Directors
- Fourteen professional and support staff members consisting of sport management, accounting, secretarial, clerical and other staff members

The full-time staff is supplemented by part-time support staff employees of the OHSAA, which consist of the following job classifications:

- Six District Athletic Board Secretaries for operations and tournament activities
- Six District Athletic Board Treasurers for financial activities
- Directors of Officiating Development for each sport sponsored by the OHSAA
- Directors of Association Administration for local officiating association activities
- Sport liaison for track & field/cross country
- Sports information, marketing/promotions, tournament activity and accounting interns

**Figure 18**



As shown in Figure 18, the salaries and fringe benefits of the OHSAA have increased slightly over the last five years. There was a base increase in salary of 3% each year in 2012, 2013, 2015, 2016, 2017 and 2018, and 2% in 2014. The amounts shown are inclusive of all full-time, part-time, temporary and seasonal employees of the OHSAA, as well as inclusive of one-time costs of accrued leave liquidation and other severance payments.

To put the amounts in Figure 18 in perspective, it is important to note Ohio's city, exempted village and local school districts average 74% of expenditures on salaries and fringe benefits for employees based on the 2017 Ohio Department of Education's District Profile Report, commonly known as the Cupp Report. In comparison, the OHSAA spends approximately 17.4% on salaries and fringe benefits for its employees.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JULY 31, 2018

Table 4 shows a comparison of the OHSAA's staff to other states near to the state geographically. Based on data obtained from the National Federation of State High School Associations Handbook, the OHSAA's staffing ratios are lower than the other nearby state associations within the midwestern United States footprint. This is one indicator of a high level of efficiency from the staffing dollars spent by the Association annually.

**Table 4 - Staffing Size of Selected State Associations**

<b>State Association</b>	<b>Number of Student Athletes Served (Duplicated Count)</b>	<b>Number of Member Schools</b>	<b>Full time Staff Size</b>	<b>Athlete to Staff</b>	<b>Member School to Staff</b>
<b>Ohio</b>	598,000	822	23	26,000 : 1	34:1
<b>Michigan</b>	470,000	754	27	17,407:1	28:1
<b>Indiana</b>	330,000	410	30	11,000 : 1	14:1
<b>Illinois</b>	546,000	810	24	22,750 : 1	34:1
<b>Kentucky</b>	211,000	281	16	13,188 : 1	18:1
<b>West Virginia</b>	167,000	126	10	16,700 : 1	13:1
<b>Pennsylvania<sup>12</sup></b>	550,000	740	14	39,286 : 1	53:1
<b>Wisconsin</b>	307,000	514	19	16,158 : 1	27:1
<b>Iowa<sup>13</sup></b>	276,000	391	29	9,517 : 1	13:1
<b>Minnesota</b>	233,000	641	24	9,708 : 1	27:1

#### *Conclusion and Outlook*

The OHSAA is a nationally recognized and respected organization representing its member schools, officials and hundreds of thousands of student-athletes daily. The large scope of operations is indicative of the national reputation and number of activities offered by the OHSAA. Twenty-six boys and girls sports contested across the state in urban, suburban, rural and nonpublic school locations stretches OHSAA resources to provide as many services and opportunities for students and member schools as possible. Any future additions of sports and tournament operations to the OHSAA will require evaluation and planning to ensure the tournament and event activities are equal to the other continuing parts of the association's operations.

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<sup>12</sup> The Pennsylvania Interscholastic Athletic Association (PIAA) is divided into 12 geographic districts to conduct some of the affairs of the association. The employees who work within these districts are not included in Table 4.

<sup>13</sup> High school athletics in Iowa are unique nationally, in that the governance of boys and girls sports are divided between two separate organizations: the Iowa High School Athletic Association for boys and the Iowa Girls High School Athletic Union for girls. Because the OHSAA serves both boys and girls, the OHSAA used both the number of schools from the Iowa Girls High School Athletic Union and the Iowa High School Athletic Association to more closely approximate the number of schools that would be served if there was one Iowa association.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JULY 31, 2018

It is unclear at this point where interscholastic competition between schools is headed. Looking at financial and attendance trends, there are concerns by some that interscholastic athletics has no place in a contemporary American society, and the European model with community-based organizations outside the control and expertise of educational professionals is the way of the future. At this point, those arguments are yet unsettled. Additionally, with the continual strain upon schools to commit to core academic missions rather than ancillary items that educate the whole student, it is unclear whether the reality of interscholastic sports is still a financial viability for schools to offer to their students. However, research has indicated a larger interest in examining the correlation between academic and extracurricular success, with additional study being warranted. This is clearly established through the adoption of the state's most recent strategic plan for education adopted by the State Board of Education in 2018.

As demographic and societal changes are undertaken throughout the state and nation, the OHSAA continues to work with member schools, student-athletes and other interested parties to provide the best possible environment for students to learn important citizenship lessons of participation, team work, discipline and *esprit de corps*, that are critical in becoming successful leaders and participants in a global community. As an educationally based association, it is incumbent upon the OHSAA, as educational leaders, to provide the leadership and resources for many future years and make the case to the public, state officials and other interested persons that education-based athletics are a key to a strong American society and represent much, much more than just the games that people see when attending an event. These activities are, in fact, a large component of what has made ours a strong society.



Big Thinking. Personal Focus.

## INDEPENDENT AUDITORS' 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, 2018 and 2017 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.

### ***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.

### ***Auditors' 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. 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***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, 2018 and 2017, and the change 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 audits were 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, 2018, the supplementary statement of activities and change in net assets by district for the year ended July 31, 2018 and management's discussion and analysis are presented for purposes of additional analysis and are 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 supplementary statements of financial position by district and activities and change in net assets by district have 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 supplementary statements of financial position by district and activities and change in net assets by district are fairly stated in all material respects in relation to the financial statements as a whole.

We did not subject management's discussion and analysis to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion or any other assurance on it.

*Schneider Downs & Co., Inc.*

Columbus, Ohio  
January 31, 2019

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

	July 31	
	2018	2017
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,464,924	\$ 4,752,981
Accounts receivable	620,686	603,891
Prepaid expenses	234,193	346,346
Short-term investments	1,162,261	1,157,948
Total Current Assets	6,482,064	6,861,166
<b>LONG-TERM ASSETS</b>		
Investments - building fund	355,271	337,363
Pension asset	927,094	221,818
Property and equipment, net	1,442,736	1,563,480
Total Assets	\$ 9,207,165	\$ 8,983,827
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 100,000	\$ 100,000
Accounts payable	476,889	819,079
Accrued employee wages and benefits	311,822	263,077
Deferred income	973,414	927,840
Total Current Liabilities	1,862,125	2,109,996
<b>LONG-TERM LIABILITIES</b>		
Long-term debt	150,000	250,000
Long-term accrued leave	105,203	140,270
Total Liabilities	2,117,328	2,500,266
<b>NET ASSETS</b>		
Unrestricted:		
Board-designated funds:		
Building fund	355,271	337,363
Fred Durkle Scholarship	50,000	50,000
Rossi/Denney Scholarship	50,000	50,000
Reserve fund	693,767	689,454
Total Board-Designated Funds	1,149,038	1,126,817
Undesignated		
Total Net Assets	7,089,837	6,483,561
Total Liabilities And Net Assets	\$ 9,207,165	\$ 8,983,827

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, 2018 AND 2017

	2018	2017
<b>REVENUE AND OTHER GAINS</b>		
Tournament revenue	\$ 15,376,776	\$ 16,133,035
Other revenue	2,943,734	2,893,252
Service revenue	552,460	519,060
Investment income, net	<u>31,567</u>	<u>40,103</u>
Total Unrestricted Income	18,904,537	19,585,450
<b>EXPENSES AND OTHER LOSSES</b>		
Program:		
Tournament expenses	11,286,340	11,562,351
Service expenses	2,009,037	2,021,978
Support:		
Operating expense	5,723,121	5,746,993
Contribution/donations	<u>23,550</u>	<u>25,525</u>
Total Expenses And Other Losses	19,042,048	19,356,847
Change In Net Assets From Operations	(137,511)	228,603
<b>OTHER CHANGES IN NET ASSETS</b>		
Pension-related changes other than net periodic benefit cost	<u>743,787</u>	<u>1,186,354</u>
Change In Unrestricted Net Assets	606,276	1,414,957
<b>NET ASSETS - UNRESTRICTED</b>		
Beginning of year	<u>6,483,561</u>	<u>5,068,604</u>
End of year	<u>\$ 7,089,837</u>	<u>\$ 6,483,561</u>

See accompanying notes to the financial statements.

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OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JULY 31, 2018 AND 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from tournaments, sales and fees	\$ 18,901,749	\$ 19,727,607
Cash paid to suppliers and employees	<u>(19,020,693)</u>	<u>(19,382,434)</u>
Net Cash (Used In) Provided By Operating Activities	<u>(118,944)</u>	<u>345,173</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(78,459)	(108,916)
Proceeds from sale of property and equipment	-	1,500
Purchase of investments	(5,768)	(458,589)
Proceeds from sale of investments	<u>15,114</u>	<u>326,723</u>
Net Cash Used In Investing Activities	<u>(69,113)</u>	<u>(239,282)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on long-term debt	<u>(100,000)</u>	<u>(100,000)</u>
Net (Decrease) Increase In Cash And Cash Equivalents	<u>(288,057)</u>	<u>5,891</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>4,752,981</u>	<u>4,747,090</u>
End of year	<u>\$ 4,464,924</u>	<u>\$ 4,752,981</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS FROM OPERATIONS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>		
Change in net assets from operations:	\$ (137,511)	\$ 228,603
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	199,203	277,734
Unrealized gains on investments, net	(11,313)	(18,737)
Realized gains on investments, net	(4,338)	(1,563)
Interest and dividends	(15,916)	(19,803)
Gain on sale of asset	-	(1,500)
Change in assets and liabilities:		
Accounts receivable	(16,795)	278,015
Prepaid expenses	112,153	62,167
Accrued employee wages and benefits	13,678	33,725
Accounts payable	(342,190)	(123,243)
Deferred income	45,574	(94,255)
Pension asset/payable	<u>38,511</u>	<u>(275,970)</u>
Net Cash (Used In) Provided By Operating Activities	<u>\$ (118,944)</u>	<u>\$ 345,173</u>

See accompanying notes to the financial statements.

	<u>2018</u>	<u>2017</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		

Interest	<u>\$ 7,000</u>	<u>\$ 11,000</u>
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## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 1 - ORGANIZATION

The purpose of the Ohio High School Athletic Association (the Association) shall be to regulate, supervise and administer interscholastic athletic competition among its member schools to the end that the interscholastic program 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 school or student 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 are tournament proceeds owed to them by independent tournament director schools and corporate sponsors. No reserve for uncollectible accounts receivable is deemed to be necessary as of July 31, 2018 and 2017. 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, which approximates fair value. At July 31, 2018 and 2017, 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.

**Investments - Building Fund** - Building fund investments represent 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 consist of mutual funds and corporate bonds, and are recorded at fair value.

## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 investment income in the accompanying statement of activities and change in net assets. Dividends and interest are recognized when earned.

**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:

Description	Useful Life	Method
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 that 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, 2018 and 2017.

**Deferred Income** - Deferred income represents cash or other assets received for services before the services have been provided. Annual officials' dues and fees received prior to the licensing period, an entry fee for student participants in the pre-season cross-country invitational held after July 31, and a fee for football schools to participate in a third preseason contest, known as a Jamboree, received prior to the contest, are all recorded as deferred income, and recognized during the period earned.

**Revenue Recognition** - Tournament revenues are recognized at the time the tournaments occur. Officials' dues are recognized in the period for which the officials have been licensed. Sponsorship revenues are recognized in the period earned. Officials' dues and sponsorship revenues are included in other revenue in the statement of activities and change in net assets.

**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 was no interest or penalties recognized during 2018 or 2017. The Association's tax years since 2015 remain subject to examination.

## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions or stipulations as to purpose or use.

Temporarily Restricted Net Assets - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Association or by the passage of time. When restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and change in net assets as net assets released from restrictions. As of July 31, 2018 and 2017, the Association had no temporarily restricted net assets.

Permanently Restricted Net Assets - Net assets whose use is permanently restricted by the donor. As of July 31, 2018 and 2017, the Association had no permanently restricted net assets.

Recent Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board (FASB) issued new accounting guidance related to revenue recognition. This new standard will replace all current Generally Accepted Accounting Principles (GAAP) guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition guidance 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. This guidance will be effective for the Association beginning August 1, 2019 and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Association is currently evaluating the impact of adopting this new accounting guidance on its financial statements.

In June 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-08 Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08) to clarify and improve the scope and accounting guidance for contributions received and contributions made. The amendments in ASU 2018-08 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. ASU 2018-08 will be effective for transactions in which the Foundation serves as the resource recipient for annual periods beginning August 1, 2019. For transactions in which the Foundation serves as the resource provider, ASU 2018-08 will be effective for annual periods beginning August 1, 2020. The Association is currently in the process of evaluating the impact that the adoption of ASU 2018-08 will have on its 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

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2018 AND 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Association beginning August 1, 2020. The Association is currently evaluating the impact of adopting this new accounting guidance on its financial statements.

In August 2016, the FASB completed Phase I of its Presentation of Financial Statements of Not-for-Profit Entities and issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This new ASU is intended to simplify and improve not-for-profit financial reporting.

Specifically, the new guidance:

- Revises the net asset classification scheme to two classes (net assets with donor restrictions and net assets without donor restrictions) instead of the previous three, while maintaining the requirement to report total net assets and changes in the classes of and total net assets.
- Continues to allow for a choice between the direct and indirect method of reporting operating cash flows; however, presentation of the indirect reconciliation is no longer required if using the direct method.
- Enhances disclosures for:
  - Self-imposed limits on the use of resources without donor-imposed restrictions
  - Composition of net assets with donor restrictions, and how the restrictions affect the use of resources
  - Qualitative disclosures on how a not-for-profit manages its available liquid resources, to meet cash needs for general expenditures within one year of the statement of financial position date
  - Quantitative disclosures that communicate the availability of financial assets to meet cash needs for general expenditures within one year of the balance sheet date.
  - Methods used to allocate costs among program and support functions
- Requires the presentation of expenses by nature as well as function, including an analysis of expenses showing the relationship between functional and natural classification for all expenses.
- Updates the accounting and disclosure requirements for underwater endowment funds, which include required disclosure of (1) policy concerning appropriation from underwater endowment funds, (2) the aggregate fair value of such funds, (3) the aggregate original gift amount (or level required by donor or law) to be maintained, and (4) the aggregate amount by which funds are underwater, which are to be classified as part of net assets with donor restrictions.
- Requires net presentation of investment expenses against investment return on the statement of activities and change in net assets and eliminates the requirement to disclose investment expenses that have been netted.
- Requires the use of, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expiration of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassification of amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restrictions over the estimated useful life of the acquired asset.)

This guidance was effective for the Association beginning August 1, 2018. The Association is currently evaluating the impact this standard will have on its financial statements.

## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In August 2018, the FASB issued ASU No. 2018-04, Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20): Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans. The new guidance removes disclosures that no longer are considered cost-beneficial, clarifies the specific requirements of disclosures, and adds disclosure requirements identified as relevant. 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 August 2018, the FASB issued ASU No. 2018-15, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract. The new guidance requires an entity (customer) in a hosting arrangement that is a service contract to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense. 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.

**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 are available to be issued. Management has evaluated subsequent events through January 31, 2019, the date on which the financial statements were available to be issued.

#### NOTE 3 - INVESTMENTS

Investments by type consist of the following at July 31:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Short-term investments:				
Certificates of deposit	\$ 1,162,261	\$ 1,162,261	\$ 1,157,948	\$ 1,157,948
Investments - building fund:				
Equity mutual funds	\$ 158,173	\$ 208,131	\$ 165,165	\$ 199,414
Fixed income mutual funds	150,070	147,140	136,482	137,949
	\$ 308,243	\$ 355,271	\$ 301,647	\$ 337,363

## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 3 - INVESTMENTS (Continued)

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

	<u>2018</u>	<u>2017</u>
Interest income and dividends	\$ 15,916	\$ 18,303
Realized gains, net	4,338	1,563
Unrealized gains, net	11,313	18,737
Gain on sale of asset	-	1,500
	<u>\$ 31,567</u>	<u>\$ 40,103</u>

Realized gains, net, include investment fees of approximately \$6,000 and \$7,000 for the years ended July 31, 2018 and 2017, respectively.

#### NOTE 4 - 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, 2018 and 2017.

## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 4 - FAIR VALUE MEASUREMENT (Continued)

*Certificates of Deposit:* Valued at cost, 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.

*Corporate Bonds and Common Stock:* Valued at the closing price for identical assets reported on the active market on which the individual securities are 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. Furthermore, 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.

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

	2018			
	Level 1	Level 2	Level 3	Total
Short-term investments:				
Certificates of deposit	-	\$ 1,162,261	-	\$ 1,162,261
Investments - building fund:				
Equity mutual funds	\$ 208,131	-	-	\$ 208,131
Fixed income mutual funds	147,140	-	-	147,140
	<u>\$ 355,271</u>	<u>-</u>	<u>-</u>	<u>\$ 355,271</u>
	2017			
	Level 1	Level 2	Level 3	Total
Short-term investments:				
Certificates of deposit	-	\$ 1,157,948	-	\$ 1,157,948
Investments - building fund:				
Equity mutual funds	\$ 199,414	-	-	\$ 199,414
Fixed income mutual funds	137,949	-	-	137,949
	<u>\$ 337,363</u>	<u>-</u>	<u>-</u>	<u>\$ 337,363</u>

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2018 AND 2017

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment at July 31 consist of the following:

	2018	2017
Furniture and office equipment	\$ 2,818,105	\$ 2,782,717
Buildings and improvements	2,353,628	2,330,638
Vehicles	150,172	150,172
	<u>5,321,905</u>	<u>5,263,527</u>
Less - Accumulated depreciation	(4,148,169)	(3,969,047)
	<u>1,173,736</u>	<u>1,294,480</u>
Land	<u>269,000</u>	<u>269,000</u>
	<u>\$ 1,442,736</u>	<u>\$ 1,563,480</u>

**NOTE 6 - NOTE PAYABLE - BUILDING**

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

	2018	2017
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.	\$ 250,000	\$ 350,000
Less - Payments due within one year	<u>(100,000)</u>	<u>(100,000)</u>
	<u>\$ 150,000</u>	<u>\$ 250,000</u>

Approximate future maturities of debt due subsequent to July 31, 2018 are as follows:

Year Ending July 31	Amount
2019	\$ 100,000
2020	100,000
2021	<u>50,000</u>
	<u>\$ 250,000</u>

## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 7 - RETIREMENT AND PENSION PLANS

The Association sponsors a defined contribution retirement plan for its current employees and 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. As of August 1, 2005, all employees became eligible to participate in the defined contribution plan sponsored by the Association.

*Defined Benefit Plan* - The Association's defined benefit pension plan covers approximately one-third of its currently employed full-time employees. The benefits are based on years of service and an employee's compensation during the last ten years of their employment through July 31, 2009. The Association's funding policy is to contribute annually the amount determined by the actuary.

The Association accounts for the defined benefit pension plan in accordance with FASB ASC 715-20: Defined Benefit Plans. This Topic requires an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in the funded status in the year in which the change occurs through the statement of activities and change in net assets. Defined benefit plan assets and obligations are measured as of the date of the employer's fiscal year-end.

Weighted average actuarial assumptions used to determine pension benefit obligations for fiscal years ended July 31 are as follows:

	<u>2018</u>	<u>2017</u>
Discount rate	4.10%	3.70%
Rate of compensation increase	N/A	N/A

Weighted average assumptions used to determine pension-related changes:

	<u>2018</u>	<u>2017</u>
Discount rate	3.70%	3.30%
Expected long-term rate of return on plan assets	5.20%	5.50%
Rate of compensation increase	N/A	N/A

During the year ended July 31, 2018, the mortality table has been updated from RP2014 backed off to 2006 and projected generationally with projection scale MP2017 for the fiscal year ended July 31, 2017 funded status to RP2014 backed off to 2006 and projected generationally with projection scale MP2018 for the fiscal year ended July 31, 2018 funded status.

**OHIO HIGH SCHOOL ATHLETIC ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**  
**JULY 31, 2018 AND 2017**

**NOTE 7 - RETIREMENT AND PENSION PLANS (Continued)**

Information about changes in obligations and plan assets of the defined benefit pension plan for years ended July 31 are as follows:

	<u>2018</u>	<u>2017</u>
Change in projected benefit obligation:		
Beginning projected benefit obligation	\$ 6,731,542	\$ 7,202,668
Service cost	-	-
Expenses paid	-	-
Interest cost	243,482	232,594
Actuarial loss (gain)	(232,178)	(303,306)
Benefits paid	<u>(400,414)</u>	<u>(400,414)</u>
Ending projected benefit obligation	6,342,432	6,731,542
Change in plan assets, at fair value:		
Beginning plan assets	6,953,360	5,962,162
Actual return (net of expenses)	716,580	626,612
Employer contribution	-	765,000
Benefits paid	(400,414)	(400,414)
Expenses paid	<u>-</u>	<u>-</u>
Ending plan assets	<u>7,269,526</u>	<u>6,953,360</u>
Over Funded Status	<u>\$ 927,094</u>	<u>\$ 221,818</u>

The accumulated benefit obligation was \$6,342,432 and \$6,731,542 as of July 31, 2018 and 2017, respectively.

Reconciliation of net periodic benefit cost as of July 31:

	<u>2018</u>	<u>2017</u>
Interest cost	\$ 243,482	\$ 232,594
Amortization of net gain	146,229	225,924
Service cost	-	-
Expected return on plan assets	<u>(351,200)</u>	<u>(343,016)</u>
Net Periodic Benefit Cost	<u>\$ 38,511</u>	<u>\$ 115,502</u>

The estimated net loss for the defined benefit pension plan that will be amortized from unrestricted net assets over the next fiscal year approximates \$64,006.

## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 7 - RETIREMENT AND PENSION PLANS (Continued)

The Association's pension plan target allocations for 2018 are 95% cash and cash equivalents and 5% fixed-income mutual funds. Plan asset allocations are reviewed periodically and rebalanced to achieve target allocation among the asset categories when necessary.

To develop the expected long-term rate of return on assets assumption, the Association considered historical returns and future expectations for returns in each asset class, as well as the target allocation of the pension portfolio. During the year ended July 31, 2018, the plan sold equity securities and fixed-income mutual funds to increase its cash position. The plan was moved to a larger cash position to mitigate the risk of loss due to uncertainty in financial markets.

The fair values of plan assets at July 31, by asset category, are as follows:

	2018			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market mutual fund	\$ 6,811,993	-	-	\$ 6,811,993
Fixed income:				
Domestic fixed income	-	\$ 408,733	-	408,733
Nontraditional	-	48,800	-	48,800
Total Plan Assets	<u>\$ 6,811,993</u>	<u>\$ 457,533</u>	<u>-</u>	<u>\$ 7,269,526</u>
	2017			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market mutual fund	\$ 1,448,658	-	-	\$ 1,448,658
Equity securities:				
Large cap domestic common stock	2,394,184	-	-	2,394,184
Small and mid cap domestic common stock	1,337,370	-	-	1,337,370
Small and mid cap domestic mutual funds	126,390	-	-	126,390
International mutual funds	983,704	-	-	983,704
Fixed income:				
Domestic fixed income	-	\$ 420,625	-	420,625
International fixed income	-	145,761	-	145,761
High yield	-	46,968	-	46,968
Nontraditional	-	49,700	-	49,700
Total Plan Assets	<u>\$ 6,290,306</u>	<u>\$ 663,054</u>	<u>-</u>	<u>\$ 6,953,360</u>

The Association's funding policy is to, as a base payment, contribute the minimum amount annually based on actuarial and economic assumptions designed to achieve adequate funding of projected benefit obligations. However, the Association makes pension contributions a priority budget item when formulating the annual budget for the organization.

## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 7 - RETIREMENT AND PENSION PLANS (Continued)

The following benefit payments are expected for the years ending July 31:

<u>Year Ending July 31</u>	<u>Amount</u>
2019	\$ 460,228
2020	455,563
2021	445,234
2022	432,978
2023	423,467
2023-2027	2,083,436

These estimated benefit payments are based on assumptions about future events. Actual benefit payments could vary significantly from these estimates.

*Defined Contribution Plan* - The Association's defined contribution retirement plan is available to all full-time employees. The Association makes an annual contribution of 12% of eligible employee compensation to the plan, which amounted to \$277,265 and \$274,857 for the years ended July 31, 2018 and 2017, 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.

#### NOTE 8 - OPERATING LEASES

The Association leases certain office equipment under noncancelable operating leases, which expire through 2021. Future minimum lease payments are as follows for the years ending July 31:

<u>Year Ending July 31</u>	<u>Amount</u>
2019	\$ 87,252
2020	45,851
2021	<u>2,236</u>
	<u>\$ 135,339</u>

Total rent expense for the years ended July 31, 2018 and 2017 amounted to \$420,685 and \$365,983, respectively.

## OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS JULY 31, 2018 AND 2017

#### NOTE 9 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of investments. 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 amounts with various banks for the years ended July 31, 2018 and 2017. At July 31, 2018 and 2017, the bank balances, including checking, savings and certificate of deposit accounts of the Association, amounted to \$6,019,274 and \$6,267,660, respectively. Of the total bank balances, \$2,277,346 and \$2,276,963 was covered by federal depository insurance and \$3,741,928 and \$3,990,697 was uninsured and uncollateralized as of July 31, 2018 and 2017, respectively.

#### NOTE 10 - BOARD DESIGNATIONS

The Association has designated funds as noted in Note 2 for the purpose of upgrading, remodeling and replacing significant components of Association property as of July 31, 2018 and 2017 of \$355,271 and \$337,363, respectively. The Association started the Board Designated Reserve Fund to have a funding source for extraordinary or unforeseen expenditures. The value as of July 31, 2018 and 2017 was \$693,767 and \$689,454, respectively. Funds have also been designated for the Fred Durkle Scholarship Fund and the Rossi-Denney Scholarship Fund. Scholarship money is presented annually to senior athletes in the names of the late Fred Durkle, John Rossi and Bob Denney. The amount accumulated in the Fred Durkle Scholarship Fund as of July 31, 2018 and 2017 was \$50,000. The amount accumulated in the Rossi/Denney Scholarship Fund as of July 31, 2018 and 2017 was \$50,000.

#### NOTE 11 - OHSAA FOUNDATION

In 1998, the Association provided the initial funding to start the Ohio High School Athletic Association Foundation (Foundation). The Foundation is 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 provides the Foundation accounting and clerical services for no charge with a cost of approximately \$11,000 and \$12,000 during 2018 and 2017, respectively. In addition, the Association contributed approximately \$18,000 to the Foundation during the years ended July 31, 2018 and 2017. Separately audited financial statements for the Foundation may be obtained by contacting Jeff Jordan, Chief Financial Officer of the Ohio High School Athletic Association, 4080 Roselea Place, Columbus, OH 43214.

#### NOTE 12 - CONTINGENCIES

The Association is, from time to time, subject to lawsuits from participants, independent contractors, and member schools, which 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.

## SUPPLEMENTARY INFORMATION



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OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENT OF FINANCIAL POSITION BY DISTRICT

AS OF JULY 31, 2018  
(With Comparative Totals for 2017)

	Columbus	Central	East	Northeast
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 2,765,790	\$ 452,408	\$ 387,035	\$ 445,062
Accounts receivable	834,523	154	60	3,491
Prepaid expenses	225,537	1,065	183	2,560
Short-term investments	693,757	-	50,000	-
Total Current Assets	<u>4,519,607</u>	<u>453,627</u>	<u>437,278</u>	<u>451,113</u>
<b>LONG-TERM ASSETS</b>				
Investments - building fund	355,271	-	-	-
Pension asset	927,094	-	-	-
Property and equipment				
Vehicles	150,172	-	-	-
Furniture and office equipment	2,772,184	5,135	2,563	7,512
Buildings and improvements	2,353,628	-	-	-
Land	269,000	-	-	-
Less: Accumulated depreciation	(4,130,274)	(342)	(897)	(2,450)
Property and equipment, net	<u>1,414,710</u>	<u>4,793</u>	<u>1,666</u>	<u>5,062</u>
Total Assets	<u><u>\$ 7,216,682</u></u>	<u><u>\$ 458,420</u></u>	<u><u>\$ 438,944</u></u>	<u><u>\$ 456,175</u></u>
<b>CURRENT LIABILITIES</b>				
Current portion of long-term debt	\$ 100,000	-	-	-
Accounts payable	472,340	\$ 5,976	\$ 2,192	\$ 260,937
Accrued employee wages and benefits	311,822	-	-	-
Deferred income	959,664	3,250	8,250	2,250
Total Current Liabilities	<u>1,843,826</u>	<u>9,226</u>	<u>10,442</u>	<u>263,187</u>
<b>LONG-TERM LIABILITIES</b>				
Long-term debt	150,000	-	-	-
Long-term accrued leave	105,203	-	-	-
Total Liabilities	<u>2,099,029</u>	<u>9,226</u>	<u>10,442</u>	<u>263,187</u>
<b>NET ASSETS</b>				
Board-designated funds:				
Building fund	355,271	-	-	-
Fred Durkle Scholarship	-	-	-	-
Rossi/Denney Scholarship	-	-	-	-
Reserve fund	693,767	-	-	-
Total Board-Designated Funds	<u>1,049,038</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted	<u>4,068,615</u>	<u>449,194</u>	<u>428,502</u>	<u>192,988</u>
Total Net Assets	<u><u>5,117,653</u></u>	<u><u>449,194</u></u>	<u><u>428,502</u></u>	<u><u>192,988</u></u>
Total Liabilities And Net Assets	<u><u>\$ 7,216,682</u></u>	<u><u>\$ 458,420</u></u>	<u><u>\$ 438,944</u></u>	<u><u>\$ 456,175</u></u>

					Total All Funds	
Northwest	Southeast	Southwest	Eliminations	2018	2017	
\$ 241,287	\$ 35,015	\$ 138,327	\$ -	\$ 4,464,924	\$ 4,752,981	
25,641	16,424	5,674	\$ (265,281)	620,686	603,891	
2,120	1,558	1,170	-	234,193	346,346	
20,010	198,494	200,000	-	1,162,261	1,157,948	
<u>289,058</u>	<u>251,491</u>	<u>345,171</u>	<u>(265,281)</u>	<u>6,482,064</u>	<u>6,861,166</u>	
-	-	-	-	355,271	337,363	
-	-	-	-	927,094	221,818	
-	-	-	-	150,172	150,172	
7,482	10,255	12,974	-	2,818,105	2,782,717	
-	-	-	-	2,353,628	2,330,638	
-	-	-	-	269,000	269,000	
(2,689)	(5,462)	(6,055)	-	(4,148,169)	(3,969,047)	
<u>4,793</u>	<u>4,793</u>	<u>6,919</u>	<u>-</u>	<u>1,442,736</u>	<u>1,563,480</u>	
<u><u>\$ 293,851</u></u>	<u><u>\$ 256,284</u></u>	<u><u>\$ 352,090</u></u>	<u><u>\$ (265,281)</u></u>	<u><u>\$ 9,207,165</u></u>	<u><u>\$ 8,983,827</u></u>	
\$ -	\$ -	\$ -	-	\$ 100,000	\$ 100,000	
\$ (1,037)	\$ 7,439	\$ (5,677)	(265,281)	476,889	819,079	
-	-	-	-	311,822	263,077	
-	-	-	-	973,414	927,840	
<u>(1,037)</u>	<u>7,439</u>	<u>(5,677)</u>	<u>(265,281)</u>	<u>1,862,125</u>	<u>2,109,996</u>	
-	-	-	-	150,000	250,000	
-	-	-	-	105,203	140,270	
<u>(1,037)</u>	<u>7,439</u>	<u>(5,677)</u>	<u>(265,281)</u>	<u>2,117,328</u>	<u>2,500,266</u>	
-	-	-	-	355,271	337,363	
-	-	50,000	-	50,000	50,000	
-	-	50,000	-	50,000	50,000	
-	-	-	-	693,767	689,454	
-	-	100,000	-	1,149,038	1,126,817	
294,888	248,845	257,767	-	5,940,799	5,356,744	
<u>294,888</u>	<u>248,845</u>	<u>357,767</u>	<u>-</u>	<u>7,089,837</u>	<u>6,483,561</u>	
<u><u>\$ 293,851</u></u>	<u><u>\$ 256,284</u></u>	<u><u>\$ 352,090</u></u>	<u><u>\$ (265,281)</u></u>	<u><u>\$ 9,207,165</u></u>	<u><u>\$ 8,983,827</u></u>	

See independent auditors' report.

OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS BY DISTRICT  
FOR THE YEAR ENDED JULY 31, 2018  
(With Comparative Totals for 2017)

	Columbus	Central	East	Northeast	Northwest
<b>Revenue and other gains:</b>					
Tournament revenue:					
Boys basketball	\$ 2,065,852	\$ 268,815	\$ 172,923	\$ 524,358	\$ 474,660
Football	3,428,699	-	-	-	-
Girls basketball	616,964	120,001	75,672	226,257	239,797
Soccer	340,357	138,298	39,516	315,646	140,758
Wrestling	647,116	60,954	31,717	90,006	78,903
Track and field	546,622	54,523	15,288	95,102	69,918
Volleyball	294,031	69,281	41,520	128,452	151,312
Baseball	244,982	33,488	28,590	50,561	89,496
Softball	194,924	31,095	26,364	37,966	75,460
Swimming and diving	89,512	29,720	-	43,348	26,637
Ice hockey	151,556	-	-	-	-
Team wrestling	158,186	-	-	-	-
Cross country	280,610	22,785	6,120	1,770	-
Bowling	24,376	31,717	5,094	35,180	10,884
Golf	40,651	20,580	-	-	-
Field hockey	34,591	-	-	-	-
Gymnastics	11,380	4,053	-	6,622	1,514
Tennis	20,048	-	-	-	-
Lacrosse	294,988	-	-	-	-
Inter-district revenue	-	(1,627)	1,627	-	-
Total Tournament Revenue	9,485,445	883,683	444,431	1,555,268	1,359,339
Other revenue:					
Corporate sponsors	1,319,971	-	-	-	-
Officials dues	1,082,721	-	-	-	-
T-shirts fees	150,000	14,000	7,000	28,000	21,000
Other miscellaneous	143,726	7,622	10,890	19,904	7,425
Clinic & meetings	36,097	-	-	-	-
Blank shells	24,230	-	-	-	-
Books & subscriptions	8,068	-	-	-	-
Total Other Revenue	2,764,813	21,622	17,890	47,904	28,425
Service revenue:					
Coaches education	328,320	-	-	-	-
First aid coaches training	117,390	-	-	-	-
Football jamboree	106,750	-	-	-	-
Total Service Revenue	552,460	-	-	-	-
Other gains:					
Investment income, net	28,919	259	-	6	-
Total Revenue And Other Gains	<u>\$ 12,831,637</u>	<u>\$ 905,564</u>	<u>\$ 462,321</u>	<u>\$ 1,603,178</u>	<u>\$ 1,387,764</u>

	Southeast	Southwest	Eliminations	2018	Total All Funds 2017
\$	262,366	\$ 485,049	\$ (312,603)	\$ 3,941,420	\$ 4,354,300
-	-	-	-	3,428,699	3,719,346
91,874	181,652	(36,485)		1,515,732	1,550,462
40,256	254,280	-		1,269,111	1,248,182
4,610	99,180	-		1,012,486	1,064,876
24,882	64,282	-		870,617	884,128
44,213	97,992	-		826,801	763,567
39,293	96,989	-		583,399	582,052
23,909	66,773	-		456,491	423,679
2,250	41,984	-		233,451	257,693
-	-	-		151,556	155,237
-	-	-		158,186	149,582
15,240	32,243	-		358,768	348,825
2,154	15,527	-		124,932	154,257
-	3,270	-		64,501	61,806
-	-	-		34,591	37,434
-	3,056	-		26,625	25,581
-	4,374	-		24,422	21,293
-	-	-		294,988	330,735
-	-	-		-	-
551,047	1,446,651	(349,088)		15,376,776	16,133,035
-	1,000	-		1,320,971	1,250,021
-	-	-		1,082,721	1,086,015
7,000	23,000	-		250,000	258,334
740	31,340	-		221,647	222,191
-	-	-		36,097	35,711
-	-	-		24,230	33,150
-	-	-		8,068	7,830
7,740	55,340	-		2,943,734	2,893,252
-	-	-		328,320	322,480
-	-	-		117,390	103,000
-	-	-		106,750	93,580
-	-	-		552,460	519,060
2,307	76	-		31,567	40,103
\$ 561,094	\$ 1,502,067	\$ (349,088)		\$ 18,904,537	\$ 19,585,450

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OHIO HIGH SCHOOL ATHLETIC ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS BY DISTRICT  
FOR FISCAL YEAR ENDED JULY 31, 2018  
(With Comparative Totals for 2017)

	Columbus	Central	East	Northeast	Northwest
Tournament expenses:					
Boys basketball	\$ 799,127	\$ 152,322	\$ 88,492	\$ 364,679	\$ 438,207
Football	1,954,565	-	-	-	-
Girls basketball	436,422	98,030	46,976	218,015	229,500
Wrestling	499,342	66,671	24,219	105,234	76,151
Track & field	541,063	56,428	12,844	138,344	54,292
Soccer	256,448	85,209	21,020	218,423	102,367
Volleyball	193,858	57,184	20,741	117,269	89,426
Baseball	227,184	40,692	16,014	72,967	63,182
Softball	165,956	32,056	16,083	66,799	61,332
Swimming & diving	95,942	38,844	-	63,657	32,305
Team wrestling	168,252	-	-	-	-
Cross country	228,698	13,775	2,829	30,625	14,802
Ice hockey	132,911	-	-	-	-
Golf	81,498	35,508	6,500	16,190	8,700
Tennis	23,117	18,894	548	30,218	13,196
Bonus to schools	-	-	-	-	-
Bowling	32,625	24,842	2,246	34,343	2,198
Gymnastics	28,924	9,531	-	28,720	6,034
Field hockey	26,264	-	-	-	-
Lacrosse	263,846	-	-	-	-
Special awards	9,084	640	105	-	218
Total Tournament Expenses	6,165,126	730,626	258,617	1,505,483	1,191,910
Service expenses:					
Catastrophic and tournament accident insurance	609,450	-	-	-	-
Officiating expenses	670,700	-	-	-	-
Member service expense	531,513	-	-	-	-
Scholar/athlete scholarships	36,000	20,000	5,500	46,000	16,500
Cause marketing	32,624	-	-	-	-
Total Service Expense	1,880,287	20,000	5,500	46,000	16,500
Operating expenses:					
Salaries and wages	1,039,966	41,192	34,400	71,494	44,790
Commissioners salaries	1,058,068	-	-	-	-
Payroll taxes & benefits	908,046	3,151	2,632	5,469	3,426
Insurance	180,408	-	-	-	-
Consultant fees	467,331	-	-	-	-
Board travel & meetings	125,330	30,408	31,867	34,906	55,122
Office expense	272,449	2,450	4,751	4,810	2,871
Depreciation	194,800	342	513	612	342
Clinics & meetings	28,255	3,535	12,335	11,342	19,247
Printing	32,869	6,209	201	11,109	8,732
Legal fees	167,005	-	-	-	-
Miscellaneous expenses	89,460	5,642	6,621	4,474	7,353
Rents & leases	87,960	-	-	2,526	-
Repairs & maintenance	123,086	-	-	-	-
Net periodic pension expenses	38,511	-	-	-	-
Pension fees	58,047	-	-	-	-
Workers' compensation	(6,503)	-	-	-	-
Contract labor	8,350	4,513	6,000	5,067	8,162
Audit fees	21,138	-	-	-	-
Rule books/officials meetings	-	-	-	-	-
Other taxes & licenses	4,369	-	-	-	-
Interest expenses	7,217	-	-	-	-
Total General And Administrative Expenses	4,906,162	97,442	99,320	151,809	150,045
Other expense:					
Contributions/donations	950	3,000	3,000	3,350	7,000
Total Expenses And Other Losses	12,952,525	851,068	366,437	1,706,642	1,365,455
Change In Net Assets From Operations	(120,888)	54,496	95,884	(103,464)	22,309
Pension-related changes other than net periodic pension cost	743,787	-	-	-	-
Change In Unrestricted Net Assets	\$ 622,899	\$ 54,496	\$ 95,884	\$ (103,464)	\$ 22,309

			Total All Funds	
Southeast	Southwest	Eliminations	2018	2017
\$ 220,362	\$ 400,853	\$ (314,230)	\$ 2,149,812	\$ 2,295,802
-	-	-	1,954,565	2,003,531
83,055	201,329	(36,485)	1,276,842	1,267,655
5,969	96,421	-	874,007	887,364
17,588	87,156	-	907,715	900,796
23,347	152,820	-	859,634	844,116
20,924	93,908	-	593,310	577,128
23,345	78,080	-	521,464	509,159
20,346	68,470	-	431,042	408,155
4,368	67,491	-	302,607	312,436
-	-	-	168,252	187,698
7,672	28,794	-	327,195	295,507
-	-	-	132,911	131,915
14,073	17,945	-	180,414	158,619
2,649	24,730	-	113,352	110,485
-	-	-	-	159,000
1,160	9,440	-	106,854	136,557
-	7,850	-	81,059	78,840
-	-	-	26,264	26,781
-	-	-	263,846	258,756
3,342	1,806	-	15,195	12,051
448,200	1,337,093	(350,715)	11,286,340	11,562,351
-	-	-	609,450	609,450
-	-	-	670,700	751,012
-	-	-	531,513	498,836
11,500	29,250	-	164,750	148,750
-	-	-	32,624	13,930
11,500	29,250	-	2,009,037	2,021,978
41,690	57,163	-	1,330,695	1,281,244
-	-	-	1,058,068	1,044,426
3,190	4,373	-	930,287	869,112
-	-	-	180,408	172,473
-	-	-	467,331	475,558
35,106	74,554	-	387,293	305,489
1,186	8,051	-	296,568	301,632
342	2,252	-	199,203	277,734
7,612	23,441	-	105,767	96,292
3,941	8,738	-	71,799	69,424
-	-	-	167,005	136,503
4,400	22,106	-	140,056	156,953
-	2,079	-	92,565	98,538
3	397	-	123,486	183,975
-	-	-	38,511	115,502
-	-	-	58,047	63,648
-	-	-	(6,503)	8,255
3,600	14,119	-	49,811	40,298
-	-	-	21,138	34,253
-	-	-	-	13
-	-	-	4,369	4,948
-	-	-	7,217	10,723
101,070	217,273	-	5,723,121	5,746,993
3,000	3,250	-	23,550	25,525
563,770	1,586,866	(350,715)	19,042,048	19,356,847
(2,676)	(84,799)	1,627	(137,511)	228,603
-	-	-	743,787	1,186,354
\$ (2,676)	\$ (84,799)	\$ 1,627	\$ 606,276	\$ 1,414,957

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