

GEORGIA HIGH SCHOOL ASSOCIATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022

OFFICERS

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Executive Director
Assistant Executive Director

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Nathan Turner

**Established
1904**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Georgia High School Association

We have audited the accompanying financial statements of the Georgia High School Association (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2023 and 2022, and the related statements of support, revenues, expenses and other changes in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis 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 the modified cash basis of accounting as described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 assets, liabilities and net assets of Georgia High School Association as of June 30, 2022 and 2021, and its support, revenue, and expenses, and its cash flows for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Jackson & Brown, P.C.
Thomaston, Georgia
September 29, 2023

GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,998,874	\$ 2,313,061
TOTAL CURRENT ASSETS	2,998,874	2,313,061
Long - term investments	6,503,621	5,899,951
Property and equipment (net of depreciation)	<u>228,577</u>	<u>243,518</u>
TOTAL ASSETS	<u>\$ 9,731,072</u>	<u>\$ 8,456,530</u>
LIABILITIES		
Current Liabilities – Payroll Withholdings	<u>\$ 6,573</u>	<u>\$ 5,984</u>
TOTAL CURRENT LIABILITIES	6,573	5,984
TOTAL LIABILITIES	<u>6,573</u>	<u>5,984</u>
COMMITMENTS AND CONTINGENCIES	--	--
NET ASSETS		
Without donor restrictions	9,724,499	8,450,546
With donor restrictions	<u>--</u>	<u>--</u>
TOTAL NET ASSETS	<u>9,724,499</u>	<u>8,450,546</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,731,072</u>	<u>\$ 8,456,530</u>

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF SUPPORT, REVENUES, EXPENSES
AND OTHER CHANGES IN NET ASSETS – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2023 AND 2022**

REVENUES	<u>2023</u>	<u>2022</u>
Invitational & regional tournaments		
Baseball	\$ 2,863	\$ 1,758
Basketball	95,592	72,735
Cheerleading	26,572	25,719
Cheerleading Game Day	287	138
Competitive Dance	2,460	1,803
Cross Country	6,082	7,352
Flag Football	1,013	321
Gymnastics	927	1,436
Lacrosse	1,092	1,109
Literary	2,238	--
Soccer	545	982
Softball	5,024	3,811
Swimming	3,335	1,394
Tennis	69	--
Track	19,652	18,101
Volleyball	9,234	6,631
Wrestling	24,307	16,036
Region Trackwrestling	<u>4,725</u>	<u>4,415</u>
	206,017	163,741
State tournaments & playoffs		
Baseball	295,133	389,441
Basketball	798,806	725,323
Basketball Officials	--	480
Basketball NCAA Recruiting Event	--	30,483
Cheerleading	153,430	122,657
Cheerleading Game Day	41,906	40,756
Competitive Dance	46,490	26,312
Cross Country	39,333	10,315
Esports	35,954	18,355
Flag Football	37,254	26,626
Football	1,471,015	1,334,395
Football Officials	402,175	38,708
Gymnastics	1,364	2,959
Lacrosse	125,897	93,852
Lacrosse Officials	700	5,908
Soccer	248,308	220,013
Soccer Officials	53,780	40,300
Softball	159,293	144,560
Softball Slow-Pitch	7,240	3,940
Swimming	9,604	9,691

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF SUPPORT, REVENUES, EXPENSES
AND OTHER CHANGES IN NET ASSETS – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
State tournaments & playoffs Con't.		
Tennis	13,670	10,524
Track	15,515	19,967
Volleyball	70,250	70,685
Wrestling	248,843	195,260
Weight appeals	10,100	10,500
	4,286,060	3,592,010
Other revenues		
Dues from member schools	--	--
Corporate sponsorships	1,368,904	1,614,885
Rule books and publications	30	55
Vendor & licensing royalties	98,497	159,841
Fines	389,261	364,475
Officials' registration & insignia	145,530	173,606
Community coach registration	575,139	507,413
Trophies and awards	15,294	15,853
Media partnerships	171,131	123,378
Miscellaneous	397	2,984
Camp fees	71,900	78,080
	2,836,083	3,040,570
TOTAL UNRESTRICTED REVENUES	7,328,160	6,796,321
EXPENSES	6,665,355	6,296,488
INCREASE (DECREASE) IN NET ASSETS – OPERATING	662,805	499,833
NON-OPERATING ITEMS		
Investment (loss) income	604,256	(823,924)
Write-off of stale checks	6,892	20,220
PPP loan forgiveness	--	235,661
	611,148	(568,043)
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,273,953	(68,210)
NET ASSETS AT BEGINNING OF YEAR	8,450,546	8,518,756
NET ASSETS AT END OF YEAR	\$ 9,724,499	\$ 8,450,546

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
SALARIES		
Executive director	\$ 186,069	\$ 180,250
Assistant executive director	107,582	104,449
Associate directors	505,266	457,072
Administrative associates	<u>263,069</u>	<u>256,019</u>
	1,061,986	997,790
TRAVEL EXPENSES AND ALLOWANCES		
National meetings	45,121	35,564
State meetings	11,371	6,747
State executive committee	48,121	60,670
Executive director	1,380	1,830
Administrative staff	653	205
Hardship committee	7,995	6,779
Youth leadership program	25,854	19,185
Reclassifications and miscellaneous	<u>2,090</u>	<u>24,025</u>
	142,585	155,005
TOURNAMENTS		
Baseball	89,406	102,550
Payout to schools	139,027	167,725
Basketball	281,833	270,879
Payout to schools	191,570	150,221
Bass Fishing	2,565	3,062
Cheerleading	114,124	97,145
Payout to schools	30,431	13,415
Cheerleading game day	9,526	14,930
Competitive dance	32,452	16,328
Cross country	20,576	9,939
Flag football	8,220	6,507
Payout to schools	9,000	9,000
Football	699,050	327,955
Payout to schools	783,016	611,056
Golf	12,914	11,937
Gymnastics	6,710	5,332
Lacrosse	18,372	16,689
Payout to schools	67,989	49,507
Riflery	8,110	6,763
Soccer	95,351	86,624
Payout to schools	112,306	82,640

Continued

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
TOURNAMENTS CON'T		
Softball (fast pitch)	61,720	50,505
Payout to schools	60,341	59,027
Softball (slow pitch)	12,996	9,860
Swimming	9,758	8,194
Tennis	4,418	4,449
Track	17,471	16,720
Volleyball	27,990	45,140
Payout to schools	16,357	4,636
Wrestling	<u>250,209</u>	<u>195,987</u>
TOTAL TOURNAMENTS	3,193,808	2,454,722
BOOKS AND PUBLICATIONS		
Rule books	55,921	73,809
CLINICS AND EXAMS		
Baseball	3,216	3,177
Basketball	5,013	1,340
Cheerleading	1,156	784
Cross country	--	472
Competitive dance	249	50
Football	4,351	5,054
Gymnastics	50	50
Lacrosse	--	437
Officials	--	--
Soccer	1,162	--
Softball	4,694	4,314
Swimming/diving	90	--
Track	294	242
Volleyball	72	68
Wrestling	<u>123</u>	<u>97</u>
	20,470	16,085
BUILDING AND EQUIPMENT MAINTENANCE AND EXPENSE		
Outside services and supplies	44,107	42,216
Utilities	13,072	11,690
Repairs	<u>6,021</u>	<u>1,732</u>
	63,200	55,638

See the accompanying notes and auditor's report .

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
OTHER EXPENSES		
Insurance	873,644	904,330
Member share payouts	306,095	621,180
Outside services	90,246	152,135
Office supplies	11,385	9,812
Postage and delivery	20,514	16,947
Telephone & communications	10,378	10,492
Professional fees	33,757	52,391
Marketing expense	52	24,149
State meets (non-athletic)	42,276	40,317
Flowers and honoraria	650	100
Retirement expense	118,527	110,841
Community coaching program	136,694	123,450
AAASP	76,660	75,186
NASO summit	3,753	3,000
Depreciation	16,358	17,187
Dues and subscriptions	2,850	2,836
Trophies and awards	110,271	98,174
Officials' evaluations	17,563	21,052
Officials' supplies	19,068	20,940
Officials' camps	83,632	45,796
Sports medicine	1,191	--
Payroll taxes	77,553	73,019
City and county taxes	520	615
Licensing payouts	73,748	119,490
	<u>2,127,385</u>	<u>2,543,439</u>
	<u>\$ 6,665,355</u>	<u>\$ 6,296,488</u>

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF CASH FLOWS – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 1,273,953	\$ (68,210)
Adjustments to reconcile increase (Decrease) in net assets to net cash provided by operating activities:		
Depreciation	16,358	17,187
(Gain) net loss on Investments	(604,256)	824,558
Increase in Payables	589	77
(Increase) in Receivables	--	(10,000)
Decrease (Increase) in Debt Forgiveness	<u>--</u>	<u>9,366</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	686,644	772,978
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash provided by investments	585	634
Payments for property and equipment	<u>(1,416)</u>	<u>--</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	(831)	634
CASH FLOWS FROM FINANCING ACTIVITIES		
	--	(235,661)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	685,813	537,951
BEGINNING CASH AND CASH EQUIVALENTS	<u>2,313,061</u>	<u>1,775,110</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 2,998,874</u>	<u>\$ 2,313,061</u>
SUPPLEMENTAL DISCLOSURES OF CASH PAID DURING THE YEAR FOR:		
Interest on investments	\$ --	\$ --
Foreign taxes on investments	1,061	827

See the accompanying notes and auditor's report.

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Georgia High School Association (the Association) promotes education in Georgia high schools from a mental, physical, and moral viewpoint through the study of public speaking, the standardization and encouragement of athletics, and the appreciation of fine arts through regional and state contests. The Association also registers, tests, and certifies high school athletic officials. The Association's support comes primarily from corporate sponsorships, and a percentage of event admission receipts. Additionally, The Association evaluates, year by year, whether or not to charge membership dues based on financial need. These dues have been waived for the past four fiscal years.

Basis of Accounting

The books of the Association are maintained on the "modified cash basis" of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, certain revenues and related assets are recognized when received rather than when earned and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Modifications to the cash basis of accounting result from management's decision to record property and equipment and related depreciation, current liabilities and long-term liabilities in the accompanying statement of assets, liabilities and net assets-modified cash basis.

Basis of Presentation

Catastrophic insurance premiums collected from member schools in fiscal year 2023 were \$ -0- and were \$ -0- for fiscal year 2022. Collection of catastrophic insurance premiums have been waived as part of membership dues for the past four fiscal years.

Property and Equipment

The Association capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions.

Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed in service.

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Con't)

Property and Equipment (Con't)

The Association reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using both straight line and modified accelerated cost recovery system methods over estimated useful lives ranging from five to forty-five years.

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. There are no estimates that are particularly susceptible to significant change in the near term.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Association generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association at the members' facilities, but these services do not meet the criteria for recognition as contributed services. The Association receives more than 3,000 volunteer hours per year across all events and tournaments.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of assets, liabilities, and assets – modified cash basis. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Con't)

Investments (Con't)

Short-term investments consist of certificates of deposit with original maturities of twelve months or less. The Association does not currently have any short-term investments. Long-term investments consist of money market funds and debt and equity securities, and government securities with original maturities greater than twelve months.

Income Taxes

The Association is a not – for – profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Association utilized the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2023, the Association has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid investments available for current use with a maturity of three months or less when purchased to be cash equivalents. The association does not currently have any investments considered to be cash equivalents.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE B – FINANCIAL ASSET AVAILABILITY AND LIQUIDITY

The Association maintains its financial assets primarily in cash and investments to furnish liquidity that provides available funds as The Associations expenses come due. The Association has \$9,502,495 in financial assets as of June 30, 2023 consisting of cash and investments.

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE C – RESTRICTIONS OF NET ASSETS

The Association has no net assets with donor restrictions.

NOTE D – CONCENTRATION OF CASH DEPOSITS

As of August 4, 2017, the Association has established an Automated Clearing House (ACH) debit and credit link between its Raymond James broker account and its Colony Bank accounts. This arrangement allows the Association to secure deposits over \$250,000 under Securities Investor Protection Corporation (SIPC). From time to time, the deposits in Colony Bank exceed FDIC insurance limits.

NOTE E – INVESTMENTS

The investment objectives of the Association are to provide a reserve fund for future long-term uncertainty. The Association invests long-term and generally accepts a conservative yield for minimum risk. The investments are generally held to maturity.

The fair values of long-term investments totaled \$6,503,621 and \$5,899,951 at June 30, 2023 and 2022, respectively. Investment advisory fees of \$35,743 and \$42,116 were paid at June 30, 2023 and 2022 respectively.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Association's financial condition.

The following schedule summarizes investment income and their classification in the statement of activities for the years ended:

	<u>June 30, 2023</u>		<u>June 30, 2022</u>	
	<u>Unrestricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Total</u>
Interest & dividend income	\$ 133,055	\$ 133,055	\$ 94,720	\$ 94,720
Net realized & unrealized gains (losses)	<u>471,201</u>	<u>471,201</u>	<u>(918,644)</u>	<u>(918,644)</u>
Total investment income	<u>\$ 604,256</u>	<u>\$ 604,256</u>	<u>\$ (823,924)</u>	<u>\$ (823,924)</u>

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE F – FAIR VALUE MEASUREMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis are as follows:

<u>Description</u>	<u>June 30, 2023</u>		<u>June 30, 2022</u>	
	<u>Fair Value</u>	<u>Quoted Prices in Active Market for Identical Assets (Level 1)</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Total short-term investments	<u>-0-</u>	<u>-0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Long-term Investments				
Money Market Funds	\$ 1,180,734	\$ 1,180,734	\$ 1,124,022	\$ 1,124,022
Common Stocks, Bonds & REITs	4,404,204	4,404,204	3,820,074	3,820,074
Government Securities	<u>918,683</u>	<u>918,683</u>	<u>955,855</u>	<u>955,855</u>
Total long-term investments	<u>\$ 6,503,621</u>	<u>\$ 6,503,621</u>	<u>\$ 5,899,951</u>	<u>\$ 5,899,951</u>

The Association recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2023 and 2022.

Short-term investments and long-term investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

The proceedings method described may produce a fair value calculation that may not be reflective of net realizable value or future fair values.

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE G – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2023</u>	<u>2022</u>
Office furniture, fixtures, and equipment	\$ 592,157	\$ 590,740
Office building & improvements	603,183	603,183
Land – office building (non-depreciable)	6,210	6,210
Land – other (non-depreciable)	<u>11,774</u>	<u>11,774</u>
	<u>1,213,324</u>	<u>1,211,907</u>
Accumulated depreciation	<u>(984,747)</u>	<u>(968,389)</u>
	<u>\$ 228,577</u>	<u>\$ 243,518</u>

NOTE H – RETIREMENT PLANS

The Association provides a defined contribution retirement plan.

Contributions are made to various tax sheltered annuities (TSA's) established in the names of the individuals.

Retirement expense recognized by the Association for fiscal years 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Tax sheltered annuities	<u>\$ 118,527</u>	<u>\$ 110,841</u>
Total Retirement Expense	<u>\$ 118,527</u>	<u>\$ 110,841</u>

NOTE I – CONTINGENCIES

As of September 29, 2023, (the date of this report), the Georgia High School Association was not involved in any threatened or pending litigation with the exception of the following.

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE I – CONTINGENCIES CON'T

On November 17, 2016, Charles Dawson Ellis filed suit against the Georgia High School Association and others in Civil Action File No. 16109198 in the Superior Court of Cobb County, Georgia. The suit alleges that the Plaintiff participated in a wrestling tournament sanctioned by the GHSA and during the tournament contracted a skin disease as a result of the failure of the Defendants to properly supervise the event and otherwise prevent injury to participants. The GHSA filed its defenses on numerous grounds including, among other defenses, that the tournament was not sanctioned by the GHSA and that the suit had not been filed within the applicable statute of limitations.

The GHSA subsequently filed a motion to dismiss the complaint as to the GHSA and thereafter the Plaintiff dismissed his action without prejudice on August 14, 2017. The action was subsequently refiled by the Plaintiff. On March 10, 2023, the Superior Court of Cobb County granted summary judgment to the GHSA. Plaintiff thereafter filed a Notice of Appeal of said Order granting summary judgment to the GHSA and the appeal is pending. The GHSA will continue to defend the same vigorously and no loss is anticipated which would exceed the liability insurance coverage of the GHSA.

On November 11, 2019, Lisa Michelle Maddox and Jeffrey David Maddox, Jr. filed suit against the GHSA, its President Glen White and its Executive Director Dr. James R. Hines, Jr. as well as a number of Lowndes County Georgia School officials alleging on February 2, 2018, the Plaintiffs were attending a wrestling tournament in the Lowndes County High School gym when Plaintiff Lisa Michelle Maddox fell traversing the bleachers. She alleges the defendants were negligent in operating and maintaining the bleachers which caused her to fall and sustain injuries. The GHSA filed its answer and numerous defenses including that it had no control over the bleachers and did not operate or maintain the same. The GHSA will defend the lawsuit vigorously and no loss is anticipated which will exceed the liability insurance coverage of the GHSA.

On March 17, 2023, Harrison Barnard filed suit against the GHSA, Dr Robert Hines as well as GHSA volunteer Franke Marsden, and The Board of Regents of The University System of Georgia in Civil Action File No. 23EV0011635 in the State Court of Fulton County alleging that at the 2020 GHSA State Swim and Dive Meet the Plaintiff was injured when his foot struck a movable bulkhead while completing a flip turn. He alleges the defendants were negligent in operating and maintaining the bulkhead which caused him to sustain injuries. The GHSA filed its answer and numerous defenses including that it had no control over the bulkhead and did not operate or maintain the same. The Board of Regents of the University System of Georgia has called upon the GHSA to defend the suit for damages and indemnify it based upon the indemnity language in the agreement allowing the meet to be held at its facility. The GHSA will defend the lawsuit vigorously and no loss is anticipated which will exceed the liability insurance coverage of the GHSA.

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE I – CONTINGENCIES CON'T

Counsel is not aware of any unasserted claims or assessments against the GHSA other than those associated with student eligibility to participate in extracurricular activities and member disciplinary appeals which seek no monetary damages, other than a request for attorney's fees.

NOTE J – STATEMENT OF CASH FLOWS

The Association had non-cash investing transactions consisting of reinvested interest, dividends and capital gains in the amount of \$128,014 in fiscal year 2023 and \$346,350 in fiscal year 2022.

NOTE K – UNCERTAIN TAX POSITIONS

The Association has determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Association's Form 990, *Return of Organization Exempt from Income Tax*, for the fiscal years ending in 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they are filed.

NOTE L – SUBSEQUENT EVENTS

The Association has evaluated subsequent events for potential recognition or disclosure through September 29, 2023 the date which the financial statements were available to be issued.

The duration and impact of the Covid-19 pandemic remains unclear at this time. It is not possible to reliably estimate the impact on the financial statements for future periods.

Management is monitoring the effects of the pandemic on a continuous basis, and considers implementing health and safety policies for employees and events to be a priority. Consequently, events and tournaments may require reduced attendance, postponements, or cancellation. Because, the Association exclusively serves high schools in Georgia, there is a possibility of cancelled events due to state-wide school closures.

In the event of these circumstances, the Association anticipates being able to offset the loss of revenues with a reduction in related expenses and mitigate any potential impact on the Association's financial condition.