

**Florida High School Athletic
Association, Inc. and Affiliates**

Combined Financial Statements


June 30, 2020



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Florida High School Athletic Association, Inc. and Affiliates
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June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Florida High School Athletic Association, Inc.

We have audited the accompanying combined financial statements of the Florida High School Athletic Association, Inc. (a nonprofit organization) and Affiliates (the "Association"), which comprise the combined statement of financial position as of June 30, 2020, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida

January 6, 2021

**Florida High School Athletic Association
Combined Statement of Financial Position**

<i>June 30,</i>	2020
Assets	
Current Assets	
Cash	\$ 735,286
Accounts receivable, net	585,778
Prepaid expenses	3,507
Total current assets	1,324,571
Non-current assets	
Investments	5,272,655
Property and equipment, net	1,820,203
Total non-current assets	7,092,858
Total assets	\$ 8,417,429
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 36,670
Accrued payroll and payroll taxes	59,464
Deferred revenue	25,442
Note payable, current portion	131,921
Compensated absences, current portion	96,000
Total current liabilities	349,497
Long-term liabilities	
Note payable	320,379
Compensated absences, net of current portion	251,171
Total long-term liabilities	571,550
Total liabilities	921,047
Net assets without donor restrictions	7,496,382
Total liabilities and net assets	\$ 8,417,429

The accompanying notes are an integral part of these financial statements.

**Florida High School Athletic Association
Combined Statement of Activities**

<i>For the year ended June 30,</i>	2020
Revenue and Other Support	
General athletics	\$ 1,087,675
Championships	892,297
Member dues	227,860
Investment income and other	234,743
Corporate marketing	2,156,752
Officials programs	457,136
Compliance	237,710
Recognition	7,130
<hr/>	
Total revenue and other support without donor restrictions	5,301,303
<hr/>	
Expenses	
<i>Program Services</i>	
General athletics	1,318,549
Championships	559,400
Compliance	723,443
Communications	990,868
Officials	404,945
Recognition	131,835
<hr/>	
Total program services	4,129,040
<hr/>	
<i>Supporting Services</i>	
Management and general	1,452,462
<hr/>	
Total expenses	5,581,502
<hr/>	
Change in net assets	(280,199)
<hr/>	
Net assets without donor restrictions at beginning of year	7,776,581
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Net assets without donor restrictions at end of year	\$ 7,496,382
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The accompanying notes are an integral part of these financial statements.

**Florida High School Athletic Association
Combined Statement of Functional Expenses**

For the year ended June 30,	Program Services						Total Program Services	Management and General	2020 Total Expenses
	General Athletics	Championships	Compliance	Communications	Officials	Recognition			
Salaries and wages	\$ 920,339	\$ -	\$ 556,535	\$ 587,042	\$ 162,331	\$ 12,162	\$ 2,238,409	\$ 839,229	\$ 3,077,638
Professional services	99,994	1,479	65,720	56,489	26,771	1,250	251,703	313,245	564,948
Lobbying	-	-	-	242,813	-	-	242,813	-	242,813
Insurance	2,701	-	1,544	2,701	134,120	-	141,066	132,541	273,607
Transportation and travel	5,510	42,885	9,168	288	1,335	834	60,020	28,934	88,954
Infractions	-	-	7,866	-	-	-	7,866	-	7,866
Other committee costs	32,127	-	600	1,615	5,755	-	40,097	15,233	55,330
Repairs & maintenance	7,030	-	5,284	2,070	592	-	14,976	2,338	17,314
Rentals & leases	-	29,640	-	-	-	517	30,157	2,200	32,357
Communications	2,542	-	4,545	33,086	2,634	399	43,206	13,008	56,214
Utilities	10,644	-	6,082	10,644	3,041	-	30,411	7,603	38,014
Game officiating	-	76,481	-	-	7,175	-	83,656	-	83,656
Office supplies	79,579	63,696	25,358	15,647	2,539	2,909	189,728	21,408	211,136
Event supplies	28,036	11,653	14,103	397	42,093	27,489	123,771	23,279	147,050
Scholarships and other awards	-	333,566	-	-	2,322	86,044	421,932	3,888	425,820
Equipment	-	-	-	-	-	-	-	1,594	1,594
Computers and software	-	-	-	-	-	-	-	11,771	11,771
Land improvements	6,448	-	3,685	6,448	1,842	-	18,423	4,606	23,029
Dues and fees	23,251	-	1,239	1,126	322	-	25,938	2,001	27,939
Miscellaneous	70,886	-	4,878	-	-	231	75,995	7,249	83,244
Training and development	-	-	-	1,040	3,655	-	4,695	1,290	5,985
Depreciation	29,462	-	16,836	29,462	8,418	-	84,178	21,045	105,223
Total	\$ 1,318,549	\$ 559,400	\$ 723,443	\$ 990,868	\$ 404,945	\$ 131,835	\$ 4,129,040	\$ 1,452,462	\$ 5,581,502

The accompanying notes are an integral part of these financial statements.

Florida High School Athletic Association, Inc. and Affiliates
Combined Statement of Cash Flows

<i>For the year ended June 30,</i>	2020
Cash Flows from Operating Activities	
Change in net assets	\$ (280,199)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Bad debt	17,455
Depreciation	105,223
Net gain on investments	(112,411)
Interest and dividend reinvestments	(93,058)
Changes in operating assets and liabilities	
Accounts receivable, net	(106,556)
Prepaid expenses	19,283
Accounts payable	(113,003)
Accrued payroll and payroll taxes	24,358
Deferred revenue	(21,532)
Compensated absences	69,889
Net cash (used) by operating activities	(490,551)
Investing Activities	
Cash paid for property and equipment	(9,074)
Net cash (used) by investing activities	(9,074)
Financing Activities	
Proceeds from note payable	452,300
Net cash provided by financing activities	452,300
Net change in cash	(47,325)
Cash, beginning of year	782,611
Cash, end of year	\$ 735,286
NON-CASH TRANSACTIONS	
Net gain on investments	\$ 112,411
Interest and dividend reinvestment	\$ 93,058

The accompanying notes are an integral part of these financial statements.

Florida High School Athletic Association, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 1: DESCRIPTION OF THE ASSOCIATION

Combined Financial Statements

The financial statements include the combined accounts of Florida High School Athletic Association, Inc., an organization established in 1920, designated as a 501C(3) in 1951 and Incorporated as a State of Florida not for profit corporation in 1962; and the Florida High School Athletic Association's Land Corporation, established in 1950, incorporated as a State of Florida not for profit corporation in 1993 and designated by the IRS as a 501C(2) organization, collectively referred to as the "Association." These entities have the same board of directors and are under the operational control of the Executive Director of the Association. The accounts of these organizations have been combined and all interorganization transactions and balances have been eliminated.

Nature of Activities

The Association regulates, promotes and administers high school interscholastic athletic competition within the State of Florida for both public and private member schools. The Association conducts interscholastic athletic post season tournaments throughout the state, promotes values of high school curriculums, promotes sportsmanship and safety of participants and provides training of coaches, athletic directors and game officials. In 1976, the Florida Legislature designated the FHSAA, Inc. as the governing non-profit organization of athletics in Florida public schools, a designation that continues today as specified in Florida Statute 1006.20(1). The Association also registers, tests, and certifies high school athletic officials. Athletic program revenue includes a share of the gate receipts from FHSAA State Series post season playoff games and state championship games as well as fees for other sanctioned athletic events that occur pre and post season.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. There are no estimates that are particularly susceptible to significant change in the near term.

Florida High School Athletic Association, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

The Association's cash consists of cash in bank checking accounts. At times, amounts in these accounts exceed FDIC insurance limits.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Association provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Investments

The Association reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Property and Equipment

All acquisitions of property and equipment in excess of \$600 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Land	Not depreciated
Building and improvements	15 – 40 Years
Furniture and equipment	3 – 5 Years

Net Assets

All of the Association's net assets are without donor restrictions.

Florida High School Athletic Association, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue is recognized when cash, other assets, or notification of a beneficial interest is received. Championships and Corporate Marketing are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

Donated Assets

Donated sports equipment are recorded as contributions at their fair values at the date of donation, and expensed when provided to schools for use in events.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on estimates of time and effort.

Income Taxes

Under Sections 501(c)(2) and 501(c)(3) of the Internal Revenue Code, the Association is exempt from taxes on income other than unrelated business income. In addition, the Association has been classified as an organization that is not a private foundation. In 1996, the Association filed form 5768 making it eligible to make expenditures to influence legislation.

The Association utilizes 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, 2020, the Association has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 6, 2021. See Note 13 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Florida High School Athletic Association, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments will supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance. For nonpublic entities, these amendments are effective for annual reporting periods beginning after December 15, 2018. In May 2020, the FASB approved a deferral of *ASC 606 Revenue from Contracts with Customers*, for all privately-held companies that have not yet issued financial statements as of the date of the final ASU was issued.

Effective July 1, 2019, the Association adopted ASC 606, using the full retrospective method. No restatement of revenues was required with the implementation of the new standard.

Accounting Pronouncements Issued but Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Association is currently evaluating the impact of the guidance on its combined financial statements.

NOTE 3: FINANCIAL ASSET AVAILABILITY AND LIQUIDITY

The Association maintains its financial assets primarily in cash and investments to provide liquidity to ensure funds are available as the Association's expenditures come due. The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual restrictions.

Florida High School Athletic Association, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 3: FINANCIAL ASSET AVAILABILITY AND LIQUIDITY (CONTINUED)

<i>June 30,</i>	2020
Financial assets, at year-end	\$ 6,593,719
Less those not available for general expenditures within one year, due to contractual restrictions	
Restricted by contractual restrictions	-
Board designations	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,593,719

Financial assets at year-end as noted in the above schedule exclude property and equipment and prepaid expenses.

NOTE 4: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

<i>June 30,</i>	2020
Athletics	\$ 468,702
Corporate	111,912
Interest	26,894
Total accounts receivable	607,508
Less allowance for doubtful accounts	(21,730)
Accounts receivable, net	\$ 585,778

Bad debts expense totaled \$17,455 for 2020.

Florida High School Athletic Association, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 5: INVESTMENTS

The investment objectives of the Association are to provide a reserve fund for future long-term uncertainty and to provide current income to smooth income fluctuations from other revenue sources. The Association invests long-term and generally accepts a conservative yield for minimum risk. Investments are generally held to maturity.

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.

Investments are stated at fair value and consist of the following at June 30, 2020:

Cash and money market	\$ 867,330
Fixed Income:	
Mortgage backed securities	27,870
Corporate securities	4,207,991
US treasury securities	169,464
<u>Total investments</u>	<u>\$ 5,272,655</u>

Investment income for the year consisted of the following:

Interest and dividend income	\$ 113,786
Net gain	112,411
<u>Net investment income</u>	<u>\$ 226,197</u>

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment - net consists of the following:

<u>June 30,</u>	<u>2020</u>
Land	\$ 390,029
Buildings and improvements	2,296,702
Furniture and equipment	201,895
Total cost	2,888,626
Less: accumulated depreciation	1,068,423
<u>Total</u>	<u>\$ 1,820,203</u>

Depreciation expense was \$105,223 for the year ended June 30, 2020.

Florida High School Athletic Association, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 7: LONG-TERM DEBT

Long-term debt consists of the following:

<u>June 30,</u>	<u>2020</u>
A \$452,300 loan with a financial institution bearing an interest rate of 1% per annum, commencing on December 2020, installments of principal and interest of \$19,000 are due monthly with the remaining outstanding principle balance due May 6, 2022.	
	\$ 452,300
Total note payable	\$ 452,300

The Association applied for and received a \$452,300 Paycheck Protection Program (PPP) loan in May 2020. The Association currently believes it has spent the loan proceeds in accordance with the provisions of PPP and expects the loan to be forgiven. There is no assurance, however, that the loan will be forgiven. If the loan is not fully forgiven, the unforgiven portion of the loan will be payable over two years at an interest rate of 1%, with deferral of payments for the first six months. The loan is recorded as note payable on the accompanying statement of financial position.

Principal maturities for each of the next two years:

<u>June 30,</u>	<u>2020</u>
2021	\$ 131,921
2022	320,379
Total	\$ 452,300

NOTE 8: REVENUE

The Association is recognizing revenue over time for its championships and corporate marketing. As of June 30, 2020, all performance obligations had been satisfied for championships and corporate marketing contracts. The performance obligations are based upon timing of events, which take place on an annual basis.

The Association recognizes revenue once the event particular to the contract has taken place.

Disaggregated Revenue

A summary of disaggregated revenue information follow:

Florida High School Athletic Association, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 8: REVENUE (CONTINUED)

<i>For the year ended June 30,</i>	2020
<hr/>	
Championships	
State Final	\$ 890,172
Sales	2,125
Total championships	892,297
Corporate marketing	
Direct sponsor	632,500
Marketing program	298,033
TV contracts	710,000
Royalties	291,051
3rd party corporate events	128,563
Other	96,605
Total corporate marketing	2,156,752
Total revenue	\$ 3,049,049

All revenue was earned during 2020.

NOTE 9: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- 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; or
 - can be corroborated by observable market data.

Florida High School Athletic Association, Inc. and Affiliates Notes to Combined Financial Statements

NOTE 9: FAIR VALUE MEASUREMENTS (CONTINUED)

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 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 maximize the use of relevant 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 June 30, 2020.

Cash and money markets — The fair value of cash and money markets is determined using trade prices in an active market, then uses a discounted cash flow model to determine the price.

Mortgage backed securities — The fair value of mortgage backed securities is determined using an active TBA market for mortgage pools, which is the basis for determining many prices, yields, and option-adjusted spreads in the mortgage arena.

Corporate securities — The fair value of corporate securities is determined using the discounted cash flow model. The key inputs to the discounted cash flow model are the coupon, yield, expected maturity date, and any applicable options.

US Treasury securities — The fair value of US Treasury securities is determined using the yield on the on-the-run treasury that is most similar to the US Treasury being valued. The yield is adjusted for variances in maturity, coupon, and other features. A discounted cash flow model is used to discount the payments using the yield determined for most US Treasury securities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Florida High School Athletic Association, Inc. and Affiliates
Notes to Combined Financial Statements

NOTE 9: FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended June 30, 2020:

Description	Level 1	Level 2	Level 3	Total
Cash and money markets	\$ 867,330	\$ -	\$ -	\$ 867,330
Fixed income:				
Mortgage backed securities	-	27,870	-	27,870
Corporate securities	2,921,499	1,242,692	43,800	4,207,991
US treasury securities	169,464	-	-	169,464
Total	\$3,958,293	\$1,270,562	\$ 43,800	\$5,272,655

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets.

Beginning Balance	Change between levels	Ending Balance
\$ 95,850	\$ 52,050	\$ 43,800

NOTE 10: CONCENTRATIONS OF CREDIT RISK

The Association maintains cash with a financial institution in excess of the FDIC limit of \$250,000 by approximately \$545,000 at June 30, 2020.

NOTE 11: DEFINED CONTRIBUTION PLAN

The Association provides a defined contribution retirement plan for all employees aged 20 and over. Contributions to the plan amounted to \$307,349, 15% of the gross annual wages for the year ended June 30, 2020.

Florida High School Athletic Association, Inc. and Affiliates

Notes to Combined Financial Statements

NOTE 12: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after June 30, 2020, through January 6, 2021 the date the Association's financial statements were available to be issued. The following items occurred:

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. The Governor of Florida declared a public health emergency in Florida due to COVID-19 and imposed "shelter-in-place" orders, quarantines, executive orders and similar government orders and restrictions for Florida residents to control the spread of COVID-19. These orders have resulted in business closures, work stoppages, slowdowns and delays, work-from-home policies, travel restrictions and cancellation of events, among other effects, thereby negatively impacting providers and clients served. As a results, uncertainties have arisen that may have a significant impact on the operating activities and results of the Association. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

The Association closed its office and all employees worked from home until August, 2020. Spring sports were canceled, which led to amending of contracts and loss in revenue.

Supplementary Information

Florida High School Athletic Association, Inc. and Affiliates
Combining Statement of Financial Position
Year ended June 30, 2020

	Florida High School Athletic Association, Inc.	Land Corporation	Eliminations	Total
Assets				
Current assets				
Cash	\$ 518,753	\$ 216,533	\$ -	\$ 735,286
Accounts receivable, net	585,778	-	-	585,778
Prepaid expenses	3,507	-	-	3,507
Total current assets	1,108,038	216,533	-	1,324,571
Non-current assets				
Investments	5,272,655	-	-	5,272,655
Property and equipment, net	-	1,820,203	-	1,820,203
Total non-current assets	5,272,655	1,820,203	-	7,092,858
Total assets	\$ 6,380,693	\$ 2,036,736	\$ -	\$ 8,417,429
Liabilities and net assets				
Current liabilities				
Accounts payable	\$ 36,670	\$ -	\$ -	\$ 36,670
Accrued payroll and payroll taxes	59,464	-	-	59,464
Deferred revenue	25,442	-	-	25,442
Note payable, current portion	131,921	-	-	131,921
Compensated absences, current portion	96,000	-	-	96,000
Total current liabilities	349,497	-	-	349,497
Long-term liabilities				
Note payable	320,379	-	-	320,379
Compensated absences, net of current portion	251,171	-	-	251,171
Total long-term liabilities	571,550	-	-	571,550
Total liabilities	921,047	-	-	921,047
Net assets without donor restrictions	5,459,646	2,036,736	-	7,496,382
Total liabilities and net assets	\$ 6,380,693	\$ 2,036,736	\$ -	\$ 8,417,429

Florida High School Athletic Association, Inc. and Affiliates
Combining Statement of Activities
Year ended June 30, 2020

	Florida High School Athletic Association, Inc.	Land Corporation	Eliminations	Total
Revenue and Other Support				
General athletics	\$ 1,087,675	\$ -	\$ -	\$ 1,087,675
Championships	892,297	-	-	892,297
Member dues	227,860	-	-	227,860
Investment income and other	234,743	-	-	234,743
Corporate marketing	2,156,752	-	-	2,156,752
Officials programs	457,136	-	-	457,136
Compliance	237,710	-	-	237,710
Recognition	7,130	-	-	7,130
Transfer from Association	-	70,000	(70,000)	-
Total revenue and other support without donor restrictions	5,301,303	70,000	(70,000)	5,301,303
Expenses				
<i>Program Services</i>				
General athletics	1,263,117	55,432	-	1,318,549
Championships	559,400	-	-	559,400
Compliance	691,766	31,677	-	723,443
Communications	935,436	55,432	-	990,868
Officials	389,106	15,839	-	404,945
Recognition	131,835	-	-	131,835
Total program services	3,970,660	158,380	-	4,129,040
<i>Supporting Services</i>				
Management and general	1,408,676	43,786	-	1,452,462
Transfer to land corporation	70,000	-	(70,000)	-
Total supporting services	1,478,676	43,786	(70,000)	1,452,462
Total expenses	5,449,336	202,166	(70,000)	5,581,502
Change in net assets	(148,033)	(132,166)	-	(280,199)
Net assets without donor restrictions beginning of year	5,607,679	2,168,902	-	7,776,581
Net assets without donor restrictions end of year	\$ 5,459,646	\$ 2,036,736	\$ -	\$ 7,496,382

Florida High School Athletic Association
Combining Statement of Functional Expenses
Year ended June 30, 2020

Florida High School Athletic Association, Inc.

	General Athletics	Championships	Compliance	Communications	Officials	Recognition	Total Program Services	Management and General	Total FHSAA
Salaries and wages	\$ 920,339	\$ -	\$ 556,535	\$ 587,042	\$ 162,331	\$ 12,162	\$ 2,238,409	\$ 839,229	\$ 3,077,638
Professional services	99,994	1,479	65,720	56,489	26,771	1,250	251,703	309,054	560,757
Lobbying	-	-	-	242,813	-	-	242,813	-	242,813
Insurance	-	-	-	-	133,348	-	133,348	130,612	263,960
Transportation and travel	5,510	42,885	9,168	288	1,335	834	60,020	28,934	88,954
Infractions	-	-	7,866	-	-	-	7,866	-	7,866
Other committee costs	32,127	-	600	1,615	5,755	-	40,097	15,233	55,330
Repairs & maintenance	4,960	-	4,101	-	-	-	9,061	859	9,920
Rentals & leases	-	29,640	-	-	-	517	30,157	2,200	32,357
Communications	2,542	-	4,545	33,086	2,634	399	43,206	13,008	56,214
Utilities	-	-	-	-	-	-	-	-	-
Game officiating	-	76,481	-	-	7,175	-	83,656	-	83,656
Office supplies	76,598	63,696	23,655	12,666	1,687	2,909	181,211	19,279	200,490
Event supplies	28,036	11,653	14,103	397	42,093	27,489	123,771	23,279	147,050
Scholarships and other awards	-	333,566	-	-	2,322	86,044	421,932	3,888	425,820
Equipment	-	-	-	-	-	-	-	1,594	1,594
Computers and software	-	-	-	-	-	-	-	11,771	11,771
Land improvements	-	-	-	-	-	-	-	-	-
Dues and fees	22,125	-	595	-	-	-	22,720	1,197	23,917
Miscellaneous	70,886	-	4,878	-	-	231	75,995	7,249	83,244
Training and development	-	-	-	1,040	3,655	-	4,695	1,290	5,985
Depreciation	-	-	-	-	-	-	-	-	-
Transfer to land corporation	-	-	-	-	-	-	-	70,000	70,000
Total	\$ 1,263,117	\$ 559,400	\$ 691,766	\$ 935,436	\$ 389,106	\$ 131,835	\$ 3,970,660	\$ 1,478,676	\$ 5,449,336

(Continued)

Florida High School Athletic Association, Inc. and Affiliates
Combining Statement of Functional Expenses
Year ended June 30, 2020

	<u>Land Corporation</u>							Eliminations	Total Combined
	General Athletics	Compliance	Communications	Officials	Total Program Services	Management and General	Total Land Corp.		
Salaries and wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,077,638
Professional services	-	-	-	-	-	4,191	4,191	-	564,948
Lobbying	-	-	-	-	-	-	-	-	242,813
Insurance	2,701	1,544	2,701	772	7,718	1,929	9,647	-	273,607
Transportation and travel	-	-	-	-	-	-	-	-	88,954
Infractions	-	-	-	-	-	-	-	-	7,866
Other committee costs	-	-	-	-	-	-	-	-	55,330
Repairs & maintenance	2,070	1,183	2,070	592	5,915	1,479	7,394	-	17,314
Rentals & leases	-	-	-	-	-	-	-	-	32,357
Communications	-	-	-	-	-	-	-	-	56,214
Utilities	10,644	6,082	10,644	3,041	30,411	7,603	38,014	-	38,014
Game officiating	-	-	-	-	-	-	-	-	83,656
Office supplies	2,981	1,703	2,981	852	8,517	2,129	10,646	-	211,136
Event supplies	-	-	-	-	-	-	-	-	147,050
Scholarships and other awards	-	-	-	-	-	-	-	-	425,820
Equipment	-	-	-	-	-	-	-	-	1,594
Computers and software	-	-	-	-	-	-	-	-	11,771
Land improvements	6,448	3,685	6,448	1,842	18,423	4,606	23,029	-	23,029
Dues and fees	1,126	644	1,126	322	3,218	804	4,022	-	27,939
Miscellaneous	-	-	-	-	-	-	-	-	83,244
Training and development	-	-	-	-	-	-	-	-	5,985
Depreciation	29,462	16,836	29,462	8,418	84,178	21,045	105,223	-	105,223
Transfer to land corporation	-	-	-	-	-	-	-	(70,000)	-
Total	\$ 55,432	\$ 31,677	\$ 55,432	\$ 15,839	\$ 158,380	\$ 43,786	\$ 202,166	\$ (70,000)	\$ 5,581,502

(Concluded)

Florida High School Athletic Association, Inc. and Affiliates
Combining Statement of Cash Flows
Year ended June 30, 2020

	Florida High School Athletic Association, Inc.	Land Corporation	Eliminations	Total
Cash Flows from Operating Activities				
Change in net assets	\$ (148,033)	\$ (132,166)	\$ -	\$ (280,199)
Adjustments to reconcile change In net assets to net cash provided (used) by operating activities				
Bad debt	17,455	-	-	17,455
Depreciation	-	105,223	-	105,223
Net gain on investments	(112,411)	-	-	(112,411)
Interest and dividend reinvestment	(93,058)	-	-	(93,058)
Change in operating assets and liabilities				
Accounts receivable, net	(106,556)	-	-	(106,556)
Prepaid expenses	19,283	-	-	19,283
Accounts payable	(113,003)	-	-	(113,003)
Accrued payroll and payroll taxes	24,358	-	-	24,358
Deferred revenue	(21,532)	-	-	(21,532)
Compensated absences	69,889	-	-	69,889
Net cash (used) by operating activities	(463,608)	(26,943)	-	(490,551)
Investing Activities				
Cash paid for property and equipment	-	(9,074)	-	(9,074)
Net cash (used) by investing activities	-	(9,074)	-	(9,074)
Financing Activities				
Proceeds from note payable	452,300	-	-	452,300
Net cash provided by financing activities	452,300	-	-	452,300
Net change in cash	(11,308)	(36,017)	-	(47,325)
Cash, beginning of year	530,061	252,550		782,611
Cash, end of year	\$ 518,753	\$ 216,533	\$ -	\$ 735,286
NON-CASH TRANSACTIONS				
Net gain on investments	\$ 112,411	\$ -	\$ -	\$ 112,411
Interest and dividend reinvestment	\$ 93,058	\$ -	\$ -	\$ 93,058