



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

**Combined Financial Statements**

**June 30, 2023**

**REPORT**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinion**

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, 2023, 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.

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, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Combined Financial Statements**

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **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.

*Carr, Riggs & Ingram, L.L.C.*

Gainesville, Florida  
February 13, 2024

**Florida High School Athletic Association, Inc. and Affiliates**  
**Combined Statement of Financial Position**

<i>June 30,</i>	2023
<b>Assets</b>	
Current assets	
Cash	\$ 1,520,595
Accounts receivable, net	1,049,349
Prepaid expenses	8,893
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Total current assets	2,578,837
Non-current assets	
Investments	5,329,170
Property and equipment, net	1,670,782
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Total non-current assets	6,999,952
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Total assets	\$ 9,578,789
<hr/> <hr/>	
<b>Liabilities and Net Assets</b>	
Current liabilities	
Accounts payable	\$ 243,933
Accrued payroll and payroll taxes	102,544
Deferred revenue	78,125
Compensated absences, current portion	96,276
<hr/>	
Total current liabilities	520,878
Long-term liabilities	
Compensated absences, net of current portion	264,812
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Total long-term liabilities	264,812
<hr/>	
Total liabilities	785,690
<hr/>	
Net assets without donor restrictions	8,793,099
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Total liabilities and net assets	\$ 9,578,789
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The accompanying notes are an integral part of these combined financial statements.

**Florida High School Athletic Association, Inc. and Affiliates**  
**Combined Statement of Activities**

<i>For the year ended June 30,</i>	2023
<b>Revenue and Other Support</b>	
General athletics	\$ 1,336,605
Championships	1,107,326
Member dues	249,434
Investment income and losses and other income	334,680
Corporate marketing	3,206,009
Officials programs	443,699
Compliance	353,169
Recognition	4,308
<hr/>	
Total revenue and other support without donor restrictions	7,035,230
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<b>Expenses</b>	
<i>Program services</i>	
General athletics	1,423,773
Championships	967,520
Compliance	842,430
Communications	873,306
Officials	441,206
Recognition	185,118
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Total program services	4,733,353
 <i>Supporting services</i>	
Management and general	1,762,254
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Total expenses	6,495,607
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Change in net assets	539,623
Net assets without donor restrictions at beginning of year	8,253,476
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Net assets without donor restrictions at end of year	\$ 8,793,099
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The accompanying notes are an integral part of these combined financial statements.

## Florida High School Athletic Association, Inc. and Affiliates Combined Statement of Functional Expenses

For the year ended June 30, 2023

	Program Services						Supporting Services		2023 Total
	General Athletics	Championships	Compliance	Communications	Officials	Recognition	Total Program Services	Management and General	
Salaries and wages	\$ 915,968	\$ -	\$ 703,439	\$ 547,644	\$ 207,665	\$ 57,865	\$ 2,432,581	\$ 934,053	\$ 3,366,634
Professional services	111,919	-	47,406	11,400	11,149	2,375	184,249	294,042	478,291
Lobbying	-	-	-	256,002	-	-	256,002	-	256,002
Insurance	-	-	-	-	104,455	-	104,455	217,938	322,393
Transportation and travel	25,744	47,048	20,597	10,750	-	855	104,994	64,149	169,143
Infractions	-	-	8,339	-	-	-	8,339	-	8,339
Other committee costs	49,418	-	-	-	3,691	-	53,109	50	53,159
Repairs and maintenance	8,431	-	5,212	-	-	-	13,643	8,094	21,737
Rentals and leases	-	69,860	-	-	-	1,064	70,924	-	70,924
Communications	2,654	-	13,222	35,223	6,125	2,216	59,440	13,744	73,184
Utilities	-	-	-	-	-	-	-	48,730	48,730
Game officiating	-	293,510	-	-	35,872	-	329,382	-	329,382
Office supplies	137,552	114,310	24,388	6,304	22,270	2,323	307,147	41,234	348,381
Event supplies	25,564	14,335	6,233	367	47,023	26,891	120,413	282	120,695
Scholarships and other awards	3,933	428,457	3,933	3,933	1,953	90,871	533,080	16,542	549,622
Computers and software	-	-	200	-	-	-	200	13,613	13,813
Purchase of equipment	-	-	-	-	-	-	-	852	852
Land improvements	-	-	-	-	-	-	-	16,149	16,149
Dues and fees	22,175	-	-	-	-	-	22,175	5,494	27,669
Miscellaneous	118,015	-	7,961	(32)	-	658	126,602	491	127,093
Training and development	2,400	-	1,500	1,715	1,003	-	6,618	3,100	9,718
Depreciation	-	-	-	-	-	-	-	83,697	83,697
<b>Total</b>	<b>\$ 1,423,773</b>	<b>\$ 967,520</b>	<b>\$ 842,430</b>	<b>\$ 873,306</b>	<b>\$ 441,206</b>	<b>\$ 185,118</b>	<b>\$ 4,733,353</b>	<b>\$ 1,762,254</b>	<b>\$ 6,495,607</b>

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

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

<i>For the year ended June 30,</i>	2023
<b>Operating Activities</b>	
Change in net assets	\$ 539,623
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Bad debt	(12,778)
Depreciation	83,697
Net gain on investments	(178,926)
Interest and dividend reinvestment	(124,392)
Changes in operating assets and liabilities	
Accounts receivable, net	(553,514)
Prepaid expenses	(5,012)
Accounts payable	55,957
Accrued payroll and payroll taxes	19,933
Deferred revenue	26,588
Compensated absences	10,290
Net cash provided (used) by operating activities	(138,534)
<b>Investing Activities</b>	
Purchase of property and equipment	(57,008)
Net cash provided (used) by investing activities	(57,008)
Net change in cash	(195,542)
Cash, beginning of year	1,716,137
Cash, end of year	\$ 1,520,595

The accompanying notes are an integral part of these combined 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" or "FHSAA." 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. The Association's program services consist of the following:

*General Athletics* – The Association supports the youth of Florida who deserve the best possible education that is gained through the classroom and through participation in interscholastic athletic programs which connect teammates, coaches, and officials across the state. The Association provides opportunities for high school students to participate on a fair and equitable basis which produce vital educational benefits through regulated sports programs. The Association provides the necessary supervision, control, and promotion of the interscholastic athlete programs in which students engage.

*Championships* – The Association provides a level competitive playing opportunity for all student-athletes within the state series by promoting sportsmanship, striving for excellence, and competing with integrity. The Association secures venues that meet regulation and safety standards to promote exceptional experiences which lend to quality lessons in leadership, sportsmanship, and citizenship.

*Compliance* – The Association upholds the bylaws and policies established by the FHSAA Board of Directors and facilitates due process procedures afforded to member schools, coaches, and students. The Association provides educational resources via seminars, on-site workshops, electronic platforms, and other interactive means to assist with school compliance of FHSAA regulations.

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

### **Notes to Combined Financial Statements**

#### **NOTE 1: DESCRIPTION OF THE ASSOCIATION (CONTINUED)**

*Communications* – The Association provides direct lines of communication to member schools, officials, news media, and the public through printed material and electronic platforms. The Association provides oversight of a public liaison advisory committee and lobbying efforts on behalf of the FHSAA Board of Directors to enhance education initiatives of the FHSAA Board of Directors. The Association facilitates promotional activities to engage the membership and its constituents.

*Officials* – The Association promotes educational development of high school students by establishing guidelines for ethical standards of conduct for all interscholastic officials in Florida. The Association provides support, training, evaluation, and certification of officials for high school sporting events to ensure that they master both the rules of the game and the mechanics necessary to enforce the rules.

*Recognition* – The Association facilitates several programs through which schools, student-athletes, administrators, coaches, officials, and other individuals are recognized. The Association provides scholarships and awards to various individuals and groups for exceptional achievements in academics, interscholastic athletics, teamwork, sportsmanship, and leadership.

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Accounting***

The accompanying combined 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 combined 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 Combined 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 over the estimated useful lives of the assets.

##### ***Net Assets***

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

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Association, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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

### **Notes to Combined Financial Statements**

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Revenue Recognition***

General athletics, member dues, investment income and losses, other income, officials programs, compliance, and recognition revenue are recognized when cash, other assets, or notification of a beneficial interest is received. Revenue from Championships and Corporate Marketing are recognized as 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 combined 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 positions that qualify for recognition or disclosure in the combined financial statements.

##### ***Subsequent Events***

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued, February 13, 2024. See Note 11 for subsequent events.

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

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Recent Accounting Pronouncements*

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASU] 842, *Leases*) to increase transparency and comparability amount organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent amount the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of the combined financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Association adopted the standard effective July 1, 2022. This change in accounting principal did not have a material impact on the combined financial statements.

### NOTE 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

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.

<i>June 30,</i>	2023
Total assets at year end	\$ 9,578,789
Less non-financial assets	
Property and equipment, net	(1,670,782)
Prepaid expenses	(8,893)
Financial assets available to meet cash needs for general expenditures within one year	\$ 7,899,114

The Association is principally supported by dues and fees charged for services it provides.

### NOTE 4: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

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

**NOTE 4: ACCOUNTS RECEIVABLE (CONTINUED)**

<i>June 30,</i>	2023
Athletics	\$ 1,033,736
Interest	36,527
Total accounts receivable	1,070,263
Less allowance for doubtful accounts	(20,914)
Accounts receivable, net	\$ 1,049,349

Bad debts expense totaled \$12,788 for 2023.

**NOTE 5: INVESTMENTS**

Investments in marketable securities consist of the following:

Cash and money market	\$ 830,689
Fixed Income:	
Mortgage backed securities	6,782
Corporate securities	4,414,352
US treasury securities	77,347
Total investments	\$ 5,329,170

**NOTE 6: PROPERTY AND EQUIPMENT**

The components of property and equipment consist of the following at June 30, 2023:

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

**NOTE 6: PROPERTY AND EQUIPMENT (CONTINUED)**

	Estimated Useful Lives (in years)	2023
Buildings and improvements	15-40	\$ 2,296,702
Furniture and equipment	3-5	257,913
		2,554,615
Less: accumulated depreciation		1,273,862
Land		390,029
Property and equipment, net		\$ 1,670,782

Depreciation expense was \$83,697 for the year ended June 30, 2023.

**NOTE 7: REVENUE**

The Association is recognizing revenue for contracts with customers over time for its corporate marketing and contracts with customers at a point in time for its championships. As of June 30, 2023, 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 Revenues***

A summary of disaggregated revenues information follow:

<i>For the year ended June 30,</i>	2023
Contracts with customers	
Recognized over time	\$ 3,206,009
Recognized at a point in time	1,107,326
General athletics, officials programs, compliance, and recognition (non-exchange)	2,137,781
Other income (loss) (non-exchange)	584,114
Total revenue	\$ 7,035,230

The Association's customers are primarily schools and high school sports related entities located in the State of Florida. All revenue was earned during 2023.

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

**NOTE 7: REVENUE (CONTINUED)**

***Contract Balances***

<i>June 30,</i>	2023
Receivable from contracts, beginning of year	\$ 483,057
Receivable from contracts, end of year	\$ 1,049,349

**NOTE 8: 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.

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, 2023.

*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.



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

### NOTE 8: FAIR VALUE MEASUREMENTS (CONTINUED)

*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.

Assets and liabilities measured at fair value on a recurring basis, are summarized for the year ended June 30, 2023:

Description	Level 1	Level 2	Level 3	Total
Cash and money markets	\$ 830,689	\$ -	\$ -	\$ 830,689
Fixed income:				
Mortgage backed securities	-	6,782	-	6,782
Corporate securities	2,935,300	1,049,052	430,000	4,414,352
US treasury securities	77,347	-	-	77,347
<b>Total investments at fair value</b>	<b>\$ 3,843,336</b>	<b>\$ 1,055,834</b>	<b>\$ 430,000</b>	<b>\$ 5,329,170</b>

### ***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.

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

**NOTE 8: FAIR VALUE MEASUREMENTS (CONTINUED)**

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. The table below sets forth a summary of changes in the fair value of the Level 3 assets for year ended June 30:

	2023
Balance, beginning of year	\$ 174,800
Net change in market value	30,000
Transfer between levels	225,200
Balance, end of year	\$ 430,000

**NOTE 9: CONCENTRATIONS**

The Association maintains cash deposits with a financial institution at June 30, 2023, in excess of federally insured limit of approximately \$1,077,000.

**NOTE 10: DEFINED CONTRIBUTION PLAN**

The Association sponsors a defined contribution plan (the Plan) covering all employees aged 20 and over. The Association makes a contribution to the Plan each year equal to 15% of all participants' compensation. Total expense for the year ended June 30, 2023 was \$327,417.

**NOTE 11: SUBSEQUENT EVENTS**

After year end, the Association voted to move forward with the formation of the FHSAA Foundation, Inc. The purpose for which the corporation is organized are exclusively charitable and/or educational as defined by the Internal Revenue Code related to 501(c)(3). The Board of Directors shall consist of nine persons. A sub-committee to the FHSAA Board of Directors has been created to carry out the objectives of the FHSAA Foundation until the time it is self-sustaining. The activities will be combined with the FHSAA activities for financial reporting in the future.

After year end, the Florida State Legislature passed an updated version of Chapter 1006, "Support for Learning". This update changed the guidelines related to the Board of Directors, as well as other areas related to participation by schools. The changes were enacted and a new Board of Directors was established after year end.

## **Supplementary Information**

## Florida High School Athletic Association, Inc. and Affiliates Combining Statement of Financial Position

June 30, 2023	Florida High School Athletic Association, Inc.	Land Corporation	Eliminations	Total
<b>Assets</b>				
Current assets				
Cash	\$ 1,482,021	\$ 38,574	\$ -	\$ 1,520,595
Accounts receivable, net	1,049,349	-	-	1,049,349
Prepaid expenses	8,893	-	-	8,893
<b>Total current assets</b>	<b>2,540,263</b>	<b>38,574</b>	<b>-</b>	<b>2,578,837</b>
Non-current assets				
Investments	5,329,170	-	-	5,329,170
Property and equipment, net	-	1,670,782	-	1,670,782
<b>Total non-current assets</b>	<b>5,329,170</b>	<b>1,670,782</b>	<b>-</b>	<b>6,999,952</b>
<b>Total assets</b>	<b>\$ 7,869,433</b>	<b>\$ 1,709,356</b>	<b>\$ -</b>	<b>\$ 9,578,789</b>
<b>Liabilities and net assets</b>				
Current liabilities				
Accounts payable	\$ 243,933	\$ -	\$ -	\$ 243,933
Accrued payroll and payroll taxes	102,544	-	-	102,544
Deferred revenue	78,125	-	-	78,125
Compensated absences, current portion	96,276	-	-	96,276
<b>Total current liabilities</b>	<b>520,878</b>	<b>-</b>	<b>-</b>	<b>520,878</b>
Long-term liabilities				
Compensated absences, net of current portion	264,812	-	-	264,812
<b>Total long-term liabilities</b>	<b>264,812</b>	<b>-</b>	<b>-</b>	<b>264,812</b>
<b>Total liabilities</b>	<b>785,690</b>	<b>-</b>	<b>-</b>	<b>785,690</b>
<b>Net assets without donor restrictions</b>	<b>7,083,743</b>	<b>1,709,356</b>	<b>-</b>	<b>8,793,099</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,869,433</b>	<b>\$ 1,709,356</b>	<b>\$ -</b>	<b>\$ 9,578,789</b>

## Florida High School Athletic Association, Inc. and Affiliates Combining Statement of Activities

For the year ended June 30, 2023	Florida High School Athletic Association, Inc.	Land Corporation	Eliminations	Total
<b>Revenue and Other Support</b>				
General athletics	\$ 1,336,605	\$ -	\$ -	\$ 1,336,605
Championships	1,107,326	-	-	1,107,326
Member dues	249,434	-	-	249,434
Investment income and losses and other income	334,680	-	-	334,680
Corporate marketing	3,206,009	-	-	3,206,009
Officials programs	443,699	-	-	443,699
Compliance	353,169	-	-	353,169
Recognition	4,308	-	-	4,308
Transfer from Association	-	120,000	(120,000)	-
<b>Total revenue and other support without donor restrictions</b>	<b>7,035,230</b>	<b>120,000</b>	<b>(120,000)</b>	<b>7,035,230</b>
<b>Expenses</b>				
<i>Program Services</i>				
General athletics	1,423,773	-	-	1,423,773
Championships	967,520	-	-	967,520
Compliance	842,430	-	-	842,430
Communications	873,306	-	-	873,306
Officials	441,206	-	-	441,206
Recognition	185,118	-	-	185,118
<b>Total program services</b>	<b>4,733,353</b>	<b>-</b>	<b>-</b>	<b>4,733,353</b>
<i>Supporting Services</i>				
Management and general	1,568,250	194,004	-	1,762,254
Transfer to land corporation	120,000	-	(120,000)	-
<b>Total supporting services</b>	<b>1,688,250</b>	<b>194,004</b>	<b>(120,000)</b>	<b>1,762,254</b>
<b>Total expenses</b>	<b>6,421,603</b>	<b>194,004</b>	<b>(120,000)</b>	<b>6,495,607</b>
Change in net assets	613,627	(74,004)	-	539,623
<b>Net assets without donor restrictions beginning of year</b>	<b>6,470,116</b>	<b>1,783,360</b>	<b>-</b>	<b>8,253,476</b>
<b>Net assets without donor restrictions end of year</b>	<b>\$ 7,083,743</b>	<b>\$ 1,709,356</b>	<b>\$ -</b>	<b>\$ 8,793,099</b>

## Florida High School Athletic Association, Inc. and Affiliates Combining Statement of Functional Expenses

For the year ended June 30, 2023

Florida High School Athletic Association, Inc.										
	General Athletics	Championships	Compliance	Communications	Officials	Recognition	Total Program Services	Management and General	Total FHSAA	
Salaries and wages	\$ 915,968	\$ -	\$ 703,439	\$ 547,644	\$ 207,665	\$ 57,865	\$ 2,432,581	\$ 934,053	\$ 3,366,634	
Professional services	111,919	-	47,406	11,400	11,149	2,375	184,249	289,230	473,479	
Lobbying	-	-	-	256,002	-	-	256,002	-	256,002	
Insurance	-	-	-	-	104,455	-	104,455	207,164	311,619	
Transportation and travel	25,744	47,048	20,597	10,750	-	855	104,994	64,149	169,143	
Infractions	-	-	8,339	-	-	-	8,339	-	8,339	
Other committee costs	49,418	-	-	-	3,691	-	53,109	50	53,159	
Repairs & maintenance	8,431	-	5,212	-	-	-	13,643	835	14,478	
Rentals & leases	-	69,860	-	-	-	1,064	70,924	-	70,924	
Communications	2,654	-	13,222	35,223	6,125	2,216	59,440	13,744	73,184	
Utilities	-	-	-	-	-	-	-	-	-	
Game officiating	-	293,510	-	-	35,872	-	329,382	-	329,382	
Office supplies	137,552	114,310	24,388	6,304	22,270	2,323	307,147	22,964	330,111	
Event supplies	25,564	14,335	6,233	367	47,023	26,891	120,413	282	120,695	
Scholarships and other awards	3,933	428,457	3,933	3,933	1,953	90,871	533,080	16,542	549,622	
Computers and software	-	-	200	-	-	-	200	13,613	13,813	
Purchase of equipment	-	-	-	-	-	-	-	852	852	
Land improvements	-	-	-	-	-	-	-	-	-	
Dues and fees	22,175	-	-	-	-	-	22,175	1,181	23,356	
Miscellaneous	118,015	-	7,961	(32)	-	658	126,602	491	127,093	
Training and development	2,400	-	1,500	1,715	1,003	-	6,618	3,100	9,718	
Depreciation	-	-	-	-	-	-	-	-	-	
Transfer to land corporation	-	-	-	-	-	-	-	120,000	120,000	
<b>Total</b>	<b>\$ 1,423,773</b>	<b>\$ 967,520</b>	<b>\$ 842,430</b>	<b>\$ 873,306</b>	<b>\$ 441,206</b>	<b>\$ 185,118</b>	<b>\$ 4,733,353</b>	<b>\$ 1,688,250</b>	<b>\$ 6,421,603</b>	

## Florida High School Athletic Association, Inc. and Affiliates Combining Statement of Functional Expenses (Continued)

For the year ended June 30, 2023

	Land Corporation										Eliminations	Total Expenses	
	General Athletics	Championships	Compliance	Communications	Officials	Recognition	Total Program Services	Management and General	Total Land Corp.				
Salaries and wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,366,634
Professional services	-	-	-	-	-	-	-	4,812	4,812	-	-	-	478,291
Lobbying	-	-	-	-	-	-	-	-	-	-	-	-	256,002
Insurance	-	-	-	-	-	-	-	10,774	10,774	-	-	-	322,393
Transportation and travel	-	-	-	-	-	-	-	-	-	-	-	-	169,143
Infractions	-	-	-	-	-	-	-	-	-	-	-	-	8,339
Other committee costs	-	-	-	-	-	-	-	-	-	-	-	-	53,159
Repairs & maintenance	-	-	-	-	-	-	-	7,259	7,259	-	-	-	21,737
Rentals & leases	-	-	-	-	-	-	-	-	-	-	-	-	70,924
Communications	-	-	-	-	-	-	-	-	-	-	-	-	73,184
Utilities	-	-	-	-	-	-	-	48,730	48,730	-	-	-	48,730
Game officiating	-	-	-	-	-	-	-	-	-	-	-	-	329,382
Office supplies	-	-	-	-	-	-	-	18,270	18,270	-	-	-	348,381
Event supplies	-	-	-	-	-	-	-	-	-	-	-	-	120,695
Scholarships and other awards	-	-	-	-	-	-	-	-	-	-	-	-	549,622
Computers and software	-	-	-	-	-	-	-	-	-	-	-	-	13,813
Purchase of equipment	-	-	-	-	-	-	-	-	-	-	-	-	852
Land improvements	-	-	-	-	-	-	-	16,149	16,149	-	-	-	16,149
Dues and fees	-	-	-	-	-	-	-	4,313	4,313	-	-	-	27,669
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	127,093
Training and development	-	-	-	-	-	-	-	-	-	-	-	-	9,718
Depreciation	-	-	-	-	-	-	-	83,697	83,697	-	-	-	83,697
Transfer to land corporation	-	-	-	-	-	-	-	-	-	-	(120,000)	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 194,004</b>	<b>\$ 194,004</b>	<b>\$ (120,000)</b>	<b>\$ -</b>	<b>\$ 6,495,607</b>	

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

For the year ended June 30, 2023	Florida High School Athletic Association, Inc.	Land Corporation	Eliminations	Total
<b>Operating Activities</b>				
Change in net assets	\$ 613,627	\$ (74,004)	\$ -	\$ 539,623
Adjustments to reconcile change In net assets to net cash provided (used) by operating activities				
Bad debt	(12,778)	-	-	(12,778)
Depreciation	-	83,697	-	83,697
Net gain on investments	(178,926)	-	-	(178,926)
Interest and dividend reinvestment	(124,392)	-	-	(124,392)
Change in operating assets and liabilities				-
Accounts receivable, net	(553,514)	-	-	(553,514)
Prepaid expenses	(5,012)	-	-	(5,012)
Accounts payable	62,467	(6,510)	-	55,957
Accrued payroll and payroll taxes	19,933	-	-	19,933
Deferred revenue	26,588	-	-	26,588
Compensated absences	10,290	-	-	10,290
<b>Net cash provided (used) by operating activities</b>	<b>(141,717)</b>	<b>3,183</b>	<b>-</b>	<b>(138,534)</b>
<b>Investing Activities</b>				
Purchase of property and equipment	-	(57,008)	-	(57,008)
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>(57,008)</b>	<b>-</b>	<b>(57,008)</b>
<b>Net change in cash</b>	<b>(141,717)</b>	<b>(53,825)</b>	<b>-</b>	<b>(195,542)</b>
Cash, beginning of year	1,623,738	92,399	-	1,716,137
<b>Cash, end of year</b>	<b>\$ 1,482,021</b>	<b>\$ 38,574</b>	<b>\$ -</b>	<b>\$ 1,520,595</b>