

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2019 AND 2018

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado High School Activities Association
Aurora, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of Colorado High School Activities Association (a nonprofit organization), which comprises the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colorado High School Activities Association as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, management adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of certain revenue and expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The schedule of revenue, expenditures, and changes in funds available – actual and budget (budgetary basis), and reconciliation of budgetary basis (actual) to statements of activities and changes in net assets is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have not audited the supplementary budget information and, accordingly, we do not express an opinion or provide any assurance on such supplementary budget information.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the statements of financial position of Colorado High School Activities Association as of June 30, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017, and the related statements of activities and changes in net assets, and cash flows for each of the eight years in the period ended June 30, 2017 (none of which is presented herein), and we expressed unmodified opinions on those financial statements. Those audits were conducted for purposes of forming an opinion on the financial statements as a whole. The analysis of funds available and the schedules of tournaments and meets revenue and expense is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements from which it has been derived.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
August 20, 2019

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,094,514	\$ 2,547,688
Accounts Receivable, Net	114,725	160,024
Prepaid Expenses	30,230	28,588
Total Current Assets	3,239,469	2,736,300
PROPERTY AND EQUIPMENT		
Land	100,037	100,037
Building	1,222,181	1,208,312
Furniture and Equipment	80,293	80,293
	1,402,511	1,388,642
Less: Accumulated Depreciation	(889,971)	(844,423)
Total Property and Equipment	512,540	544,219
Total Assets	\$ 3,752,009	\$ 3,280,519
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 60,151	\$ 52,546
Deferred Revenue	21,309	31,800
Officials Registration Funds	33,651	29,015
Total Current Liabilities	115,111	113,361
OTHER LIABILITIES		
Accrued Sick Leave	108,485	129,684
Accrued Vacation Pay	146,923	172,689
Total Other Liabilities	255,408	302,373
Total Liabilities	370,519	415,734
NET ASSETS		
Without Donor Restrictions:		
Net Investment in Property and Equipment	512,540	544,219
Designated for Contingencies	2,420,885	1,853,165
Designated for Building Replacement	448,065	467,401
Total Net Assets	3,381,490	2,864,785
Total Liabilities and Net Assets	\$ 3,752,009	\$ 3,280,519

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
REVENUE		
Program Revenue:		
Tournaments and Meets	\$ 2,601,208	\$ 2,660,264
Festivals and Programs	159,702	160,537
Student Council Division	158,748	143,205
Service and Late Fees	322,663	313,481
Participation Fees	785,425	768,903
Corporate Promotions	575,970	574,697
Coaching Certification	298,650	92,035
T-Shirt Rights Fees	126,000	123,000
Officials' Registration	45,870	45,150
Rulebook Sales	43,519	40,263
Interest	31,398	16,723
CHSAANow	34,393	23,088
Middle School Fees	18,540	8,400
Miscellaneous	57,468	5,354
Administrative Fees	19,550	18,760
Total Revenue	<u>5,279,104</u>	<u>4,993,860</u>
EXPENSES		
Program Expenses:		
Tournaments and Meets	1,328,959	1,309,227
Festivals and Programs	171,308	169,664
Student Council Division	142,607	147,278
Management and General	3,119,525	3,186,330
Total Expenses	<u>4,762,399</u>	<u>4,812,499</u>
CHANGE IN NET ASSETS	516,705	181,361
Net Assets - Beginning of Year	<u>2,864,785</u>	<u>2,683,424</u>
NET ASSETS - END OF YEAR	<u>\$ 3,381,490</u>	<u>\$ 2,864,785</u>

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	Program Activities			Supporting Services	Total
	Tournaments and Meets	Festivals and Programs	Student Council Division	Management and General	
Venue Costs	\$ 482,021	\$ 30,403	\$ 111,712	\$ -	\$ 624,136
Event Personnel Costs	532,629	67,253	11,172	-	611,054
Travel and Entertainment	149,873	30,282	11,359	-	191,514
Venue Supplies and Equipment	57,449	33,828	7,904	-	99,181
Committee Expense	21,478	3,783	-	-	25,261
Awards	85,509	5,759	460	-	91,728
Salaries and Wages	-	-	-	1,328,755	1,328,755
Benefits	-	-	-	486,286	486,286
Insurance and Taxes	-	-	-	115,918	115,918
Staff Travel and Car Expense	-	-	-	109,500	109,500
Dues and Professional Publications	-	-	-	1,718	1,718
Building Maintenance and Utilities	-	-	-	108,315	108,315
Equipment Lease and Maintenance	-	-	-	112,069	112,069
Legislative Council	-	-	-	36,112	36,112
Board of Directors	-	-	-	97,808	97,808
National Meeting Expense	-	-	-	41,756	41,756
Other Committee Expense	-	-	-	48,127	48,127
Printing	-	-	-	42,699	42,699
Audit	-	-	-	25,238	25,238
Legal	-	-	-	37,272	37,272
Legislative Services	-	-	-	26,700	26,700
Miscellaneous	-	-	-	131,665	131,665
Office Supplies	-	-	-	52,535	52,535
Telephone and Postage	-	-	-	57,178	57,178
Rulebook expenses	-	-	-	41,776	41,776
Officials	-	-	-	27,567	27,567
New Website	-	-	-	57,775	57,775
Corporate Promotions	-	-	-	25,119	25,119
Hall of Fame	-	-	-	40,622	40,622
T-Shirt Expense	-	-	-	21,467	21,467
Depreciation	-	-	-	45,548	45,548
Total Expenses	\$ 1,328,959	\$ 171,308	\$ 142,607	\$ 3,119,525	\$ 4,762,399

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	Program Activities			Supporting Services	Total
	Tournaments and Meets	Festivals and Programs	Student Council Division	Management and General	
Venue Costs	\$ 475,195	\$ 27,810	\$ 115,192	\$ -	\$ 618,197
Event Personnel Costs	491,264	67,571	13,967	-	572,802
Travel and Entertainment	149,698	35,593	11,404	-	196,695
Venue Supplies and Equipment	61,951	29,477	6,715	-	98,143
Committee Expense	27,814	3,683	-	-	31,497
Awards	103,305	5,530	-	-	108,835
Salaries and Wages	-	-	-	1,323,169	1,323,169
Benefits	-	-	-	540,209	540,209
Insurance and Taxes	-	-	-	115,229	115,229
Staff Travel and Car Expense	-	-	-	95,946	95,946
Dues and Professional Publications	-	-	-	3,715	3,715
Building Maintenance and Utilities	-	-	-	82,392	82,392
Equipment Lease and Maintenance	-	-	-	114,889	114,889
Legislative Council	-	-	-	29,961	29,961
Board of Directors	-	-	-	100,246	100,246
National Meeting Expense	-	-	-	46,850	46,850
Other Committee Expense	-	-	-	65,221	65,221
Printing	-	-	-	92,600	92,600
Audit	-	-	-	25,285	25,285
Legal	-	-	-	41,784	41,784
Legislative Services	-	-	-	24,201	24,201
Miscellaneous	-	-	-	32,403	32,403
Office Supplies	-	-	-	68,000	68,000
Telephone and Postage	-	-	-	58,831	58,831
Rulebook expenses	-	-	-	90,067	90,067
Officials	-	-	-	37,522	37,522
New Website	-	-	-	64,291	64,291
Corporate Promotions	-	-	-	29,657	29,657
Hall of Fame	-	-	-	34,436	34,436
T-Shirt Expense	-	-	-	21,587	21,587
Depreciation	-	-	-	47,839	47,839
Total Expenses	\$ 1,309,227	\$ 169,664	\$ 147,278	\$ 3,186,330	\$ 4,812,499

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 516,705	\$ 181,361
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	45,548	47,839
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	45,299	53,242
Prepaid Expenses	(1,642)	8,882
Deferred Revenue	(10,491)	(168,811)
Officials Registration Funds	4,636	29,015
Accounts Payable and Accrued Liabilities	(39,360)	47,900
Total Adjustments	<u>43,990</u>	<u>18,067</u>
Net Cash Provided by Operating Activities	560,695	199,428
 CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property and Equipment	(13,869)	-
Net Cash Used by Investing Activities	<u>(13,869)</u>	<u>-</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	546,826	199,428
 Cash and Cash Equivalents - Beginning of Year	<u>2,547,688</u>	<u>2,348,260</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,094,514</u>	<u>\$ 2,547,688</u>

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Colorado High School Activities Association (the Association) is a nonprofit corporation formed in 1921 for the purpose of sanctioning interscholastic sporting, speech, music competitions, and other activities among high schools and junior high/middle schools in Colorado. The Association determines eligibility requirements, sets competition schedules, administers tournaments, and arbitrates conflicts. The significant accounting policies of the Association are as follows:

Basis of Accounting

The Association's records are maintained on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America as applicable to nonprofit organizations. Under this basis of accounting, depreciation is computed and classified as an expense and expenditures for property and equipment are shown as increases in assets.

Cash Equivalents

For purposes of the statement of cash flows, the Association considers cash deposits and highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the invoice amount less an allowance for doubtful accounts, if necessary. Management provides for estimated uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. As of June 30, 2019 and 2018, the allowance for doubtful accounts was \$-0-.

Property and Equipment

Fixed assets with a cost greater than \$5,000 and a life extending more than a year are capitalized as part of property and equipment and are stated at cost. Depreciation is computed over the estimated useful lives using the straight-line method.

Office Supplies

Office supplies are expensed as incurred. Amounts on hand at year-end are considered insignificant and not recorded as inventory.

Deferred Revenue

Service fees, participation fees, and corporate sponsorships funding received in the current year for use in the following year's operations are recorded as advances of service and participation fees or as deferred revenue.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Association has a policy that allows employees to accumulate unused vacation and sick pay benefits up to certain maximum hours and at variable rates depending upon years of service. Compensated absences are accrued when incurred in the financial statements.

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Administrative and operating expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.

Net Investment in Property and Equipment

The net investment in property and equipment is composed of the net book value of the land, building, and furniture and equipment less obligations collateralized by such assets, if any.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in financial statements. Actual results could differ from those estimates.

Income Taxes

The Association is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Consequently, the Association is taxed only on its unrelated business income (see Note 7).

Recently Issued and Adopted Accounting Pronouncements

The Association has adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2016-04, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*, which changes presentation and disclosure requirements for non-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors and other users. The effect of adopting the new standard resulted in a reclassification of Unrestricted Net Assets to Net Assets without Donor Restrictions, and Temporarily and Permanently Restricted Net Assets combined to Net Assets with Donor Restrictions. The Association had no Net Assets with Donor Restrictions as of June 30, 2019 and 2018. Prior year information in these financial statements has been reclassified to conform with the adoption of this standard.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 2 CASH DEPOSITS AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government and entities such as the Association deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2019 and 2018, the Association's cash deposits and investments were as follows:

	2019		2018	
	Carrying Balance	Bank Balance	Carrying Balance	Bank Balance
Cash Deposits:				
Cash on Hand	\$ 300	\$ -	\$ 300	\$ -
Insured Deposits	750,000	750,000	673,540	673,540
Deposits Collateralized in Single Institution Pools	1,289,932	1,397,066	812,652	899,392
	2,040,232	\$ 2,147,066	1,486,492	\$ 1,572,932
Investments (at Fair Value):				
Local Government Investment Pool	1,054,282		1,061,196	
Total Cash and Investments	\$ 3,094,514		\$ 2,547,688	

As of June 30, 2019 and 2018, the Association had invested \$1,054,282 and \$1,061,196, respectively, in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local governments and entities such as the Association in Colorado to pool surplus funds. The state securities commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 3 DESIGNATED NET ASSETS

Management's policy is to designate certain portions of net assets for contingency purposes. The designations are summarized below:

	<u>2019</u>	<u>2018</u>
Legal Contingencies	\$ 15,000	\$ 15,000
Insurance Contingencies - Unemployment	20,000	20,000
General Reserve to be Used at the Discretion of the Board of Directors	2,150,885	1,583,165
Emergency Travel and Expense	10,000	10,000
Sick and Vacation Leave	115,000	115,000
Tournament Cancellation Revenue Loss	100,000	100,000
Long-Term Building Maintenance	10,000	10,000
	<u>\$ 2,420,885</u>	<u>\$ 1,853,165</u>

The Association has also designated \$448,065 and \$467,401 of the net assets as of June 30, 2019 and 2018, respectively, for future building expansion or replacement.

NOTE 4 LONG-TERM OBLIGATIONS AND COMMITMENTS

Operating Leases

The Association has entered into several leases for automobiles under operating leases. The expiration dates of these leases range from August 2019 to May 2021. The lease expense for the years ended June 30, 2019 and 2018 was \$45,100 and \$43,978, respectively.

The Association has entered into operating leases for copiers, printers, and a postage machine. During 2014, the Association entered into a lease agreement for copiers, which expired in March 2019. During 2018, an additional copier lease was entered into which expires in June 2023. The postage machine lease expires in July 2022. Copier and printer lease expense for the years ended June 30, 2019 and 2018 was \$47,726 and \$62,454, respectively. Postage machine lease expense for the years ended June 30, 2019 and 2018 was \$6,357 and \$6,633, respectively.

The leases require annual minimum cash payments as follows:

<u>Fiscal Year Ended June 30,</u>	Postage Machine, Printers, and Copiers	Automobiles
2020	\$ 37,341	\$ 35,830
2021	37,341	11,555
2022	37,341	-
2023	28,402	-
Total	<u>\$ 140,425</u>	<u>\$ 47,385</u>

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5 EMPLOYEE RETIREMENT PLAN

All full time-employees of the Association participate in the State Division of the Public Employees' Retirement Association of Colorado (PERA) which is a cost sharing multiple employer defined benefit pension plan.

Participants are eligible for retirement benefits upon reaching certain age and credited service criteria depending upon date of hire. Retirement benefits are equivalent to the greater of 2.5% of the highest average salary for each year of credited service or a money purchase formula based upon the retiring member's account balance. The maximum benefit available is 100% of the highest average salary. Highest average salary is the employee's average salary during their highest paid three years of service prior to retirement. Early retirement, disability retirement, health benefits, and survivor benefits are also provided.

Benefits are established by state statute. Participants' contributions are fully refundable, with interest and a matching amount equal to 50% of the participant's contributions and interest, upon request after termination of employment. Participants who withdraw their account upon or after reaching age 65 or retirement eligibility receive a 100% matching amount.

Covered employees were required by state statute to contribute 8% of their salary to PERA. The Association is required by the same statute to contribute the remaining amount necessary to pay benefits when due. This amount is defined annually by PERA as a percentage of covered payroll. The Association made contributions of \$272,827 and \$260,531, respectively, for the years ended June 30, 2019 and 2018. The contribution rate for covered payroll for the Association was 20.15% from January 1, 2017 through June 30, 2019.

NOTE 6 RELATED PARTY TRANSACTIONS

The Association provides a secretary, bookkeeping services, and office supplies to 13 officials' associations for stated annual administrative fees. Total administrative fees were \$19,550 and \$18,760 for the years ended June 30, 2019 and 2018, respectively. These officials' associations provide training and regulations for individuals officiating at interscholastic activities sanctioned by the Association.

Administrators of the Association act as liaisons for several of the officials' associations. The officials' associations also pay annual registration fees to the Association. Total registration fees for the years ending June 30, 2019 and 2018, respectively, were \$45,870 and \$45,150.

NOTE 7 INCOME TAXES

The Association had no unrelated business income for the years ended June 30, 2019 and 2018. The Association believes that it has appropriate support for any tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. As of June 30, 2019, the Internal Revenue Service has not proposed any adjustments that would result in a material change to the Association's financial position.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 FAIR VALUE MEASUREMENTS

FASB Accounting Standards Certification (FASB ASC) 820-10 requires enhanced disclosures about assets and liabilities measured at fair values, and establishes a hierarchal framework that prioritizes the inputs used in measuring assets and liabilities at fair value. The three levels of the fair value hierarchy defined in FASB ASC 820-10 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level 2 – Observable inputs other than Level 1 prices, such as quoted process for similar assets or liabilities; quoted in less active markets; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The local government investment pool operates similarly to a money market fund and each share is equal in value to \$1.00.

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position at fair value on a recurring basis and the level within the FASB ASC 820-10 fair value hierarchy in which the fair value measurements fall at June 30, 2019 and 2018:

<u>June 30, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Local Government Investment Pool	\$ -	\$ 1,054,282	\$ -
<u>June 30, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Local Government Investment Pool	\$ -	\$ 1,061,196	\$ -

NOTE 9 AVAILABLE RESOURCES AND LIQUIDITY

The Association has \$3,209,239 of financial assets available within one year of the balance sheet date consisting of cash and cash equivalents of \$3,094,514 and accounts receivable of \$114,725. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Association has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 50 percent of the subsequent years' normal operating expenses. The Board has designated net assets for various purposes, as additionally described in Note 3; however, the Board has discretion to allow the Association to use net assets for purposes other than the intended use as appropriate upon a Board vote.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 10 SUBSEQUENT EVENTS

Management evaluated subsequent events through August 20, 2019, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2019, but prior to August 20, 2019, that provided additional evidence about conditions that existed at June 30, 2019, have been recognized in the financial statements for the year ended June 30, 2019. Events of transactions that provided evidence about conditions that did not exist at June 30, 2019, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended June 30, 2019.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULES OF CERTAIN REVENUE AND EXPENSES
YEARS ENDED JUNE 30, 2019 AND 2018
(SEE INDEPENDENT AUDITORS' REPORT)**

	2019		2018	
	Revenue	Expense	Revenue	Expense
TOURNAMENTS AND MEETS				
Baseball	\$ 114,484	\$ 53,352	\$ 98,162	\$ 67,990
Basketball - District - Boys and Girls	187,684	39,496	201,539	41,514
Basketball - State - Boys and Girls	490,730	226,341	471,566	231,584
Field Hockey	8,697	4,244	5,741	2,926
Football	308,234	20,047	345,639	21,791
Gymnastics	9,779	17,699	11,071	17,011
Ice Hockey	74,033	59,736	58,585	48,193
Lacrosse - Boys	32,892	8,296	28,990	9,513
Lacrosse - Girls	16,003	5,680	16,747	6,337
Soccer - Boys	68,822	29,919	62,959	24,986
Soccer - Girls	49,161	28,005	57,195	29,563
Softball	46,628	34,605	47,472	30,008
Spirit Competition	142,109	81,661	141,649	82,905
Swimming - Boys	27,707	15,470	47,620	24,619
Swimming - Girls	37,799	35,441	37,669	32,382
Track and Field - Boys and Girls	148,864	114,911	147,366	110,182
Volleyball - District	19,618	7,381	25,915	13,868
Volleyball - State	167,949	110,426	127,013	82,959
Wrestling - District	17,785	1,721	19,175	4,402
Wrestling - State	413,698	318,686	481,780	318,994
Courtesy Card Revenue and Other				
Tournaments and Meets Expenses	218,532	115,842	226,411	107,500
Total Tournaments and Meets	<u>\$ 2,601,208</u>	<u>\$ 1,328,959</u>	<u>\$ 2,660,264</u>	<u>\$ 1,309,227</u>
FESTIVALS AND PROGRAMS				
Speech Program	\$ 36,499	\$ 38,283	\$ 33,370	\$ 41,545
Music Festivals	123,203	133,025	127,167	128,119
Total Festivals and Programs	<u>\$ 159,702</u>	<u>\$ 171,308</u>	<u>\$ 160,537</u>	<u>\$ 169,664</u>

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUNDS
AVAILABLE—ACTUAL AND BUDGET (BUDGETARY BASIS)
(UNAUDITED)
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2018)
(SEE INDEPENDENT AUDITORS' REPORT)**

	2019		Variance - Favorable (Unfavorable)	2018
	Actual	Budget		Actual
REVENUE				
Tournaments and Meets:				
Baseball	\$ 114,484	\$ 85,000	\$ 29,484	\$ 98,162
Basketball	678,414	600,000	78,414	673,105
Football	308,234	300,000	8,234	345,639
Gymnastics - Girls	9,779	10,000	(221)	11,071
Ice Hockey	74,033	50,000	24,033	58,585
Lacrosse - Boys	32,892	25,000	7,892	28,990
Lacrosse - Girls	16,003	14,000	2,003	16,747
Soccer - Boys	68,822	63,000	5,822	62,959
Soccer - Girls	49,161	53,000	(3,839)	57,195
Softball	46,628	45,000	1,628	47,472
Spirit Competition	142,109	140,000	2,109	141,649
Swimming - Boys	27,707	27,000	707	47,620
Swimming - Girls	37,799	35,000	2,799	37,669
Track and Field - Boys and Girls	148,864	125,000	23,864	147,366
Volleyball	187,567	180,000	7,567	152,928
Wrestling	431,483	475,000	(43,517)	500,955
Field Hockey	8,697	6,500	2,197	5,741
Courtesy Cards	218,532	229,500	(10,968)	226,411
Total Tournaments and Meets	2,601,208	2,463,000	138,208	2,660,264
Festivals and Programs:				
Speech Program	36,499	36,000	499	33,370
Music Festivals	123,203	118,000	5,203	127,167
Total Festival and Programs	159,702	154,000	5,702	160,537

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUNDS
AVAILABLE—ACTUAL AND BUDGET (BUDGETARY BASIS) (CONTINUED)
(UNAUDITED)
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2018)
(SEE INDEPENDENT AUDITORS' REPORT)**

	2019		Variance - Favorable (Unfavorable)	2018
	Actual	Budget		Actual
REVENUE (CONTINUED)				
Student Council Division	\$ 158,748	\$ 135,000	\$ 23,748	\$ 143,205
Middle School Division	18,540	10,000	8,540	8,400
Service and Late Fees	322,663	314,980	7,683	313,481
Participation Fees	785,425	780,000	5,425	768,903
Officials' Registration	45,870	45,000	870	45,150
Rulebook Sales	43,519	35,000	8,519	40,263
Interest	31,398	9,000	22,398	16,723
CHSAANow	34,393	15,000	19,393	23,088
Miscellaneous	57,468	28,300	29,168	5,354
Corporate Promotions	575,970	550,000	25,970	574,697
Coaching Certification	298,650	100,000	198,650	92,035
T-Shirt Rights Fees	126,000	110,000	16,000	123,000
Administrative Fees	19,550	20,000	(450)	18,760
Total Revenue	5,279,104	4,769,280	509,824	4,993,860
EXPENDITURES				
Tournaments and Meets:				
Baseball	53,352	49,000	(4,352)	67,990
Basketball	265,837	340,000	74,163	273,098
Football	20,047	20,000	(47)	21,791
Gymnastics	17,699	19,000	1,301	17,011
Ice Hockey	59,736	40,000	(19,736)	48,193
Lacrosse - Boys	8,296	8,000	(296)	9,513
Lacrosse - Girls	5,680	7,000	1,320	6,337
Soccer - Boys	29,919	30,000	81	24,986
Soccer - Girls	28,005	28,000	(5)	29,563
Softball	34,605	32,000	(2,605)	30,008
Spirit Competition	81,661	80,000	(1,661)	82,905
Swimming - Boys	15,470	21,000	5,530	24,619
Swimming - Girls	35,441	32,000	(3,441)	32,382
Track and Field - Boys and Girls	114,911	100,000	(14,911)	110,182
Volleyball	117,807	131,000	13,193	96,827
Wrestling	320,407	325,000	4,593	323,396
Field Hockey	4,244	4,000	(244)	2,926
Other Tournaments and Courtesy Cards	115,842	109,000	(6,842)	107,500
	1,328,959	1,375,000	46,041	1,309,227

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUNDS
AVAILABLE—ACTUAL AND BUDGET (BUDGETARY BASIS) (CONTINUED)
(UNAUDITED)
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2018)
(SEE INDEPENDENT AUDITORS' REPORT)**

	2019		Variance - Favorable (Unfavorable)	2018
	Actual	Budget		Actual
EXPENDITURES (Continued)				
Festivals and Programs:				
Speech Program	38,283	40,000	1,717	41,545
Music Festivals	133,025	123,000	(10,025)	128,119
	171,308	163,000	(8,308)	169,664
Student Council Division	142,607	142,000	(607)	147,278
Administrative:				
Administrative Salaries	947,687	785,414	(162,273)	856,037
Secretarial and Clerical Salaries	381,068	368,945	(12,123)	467,132
Vacation and Sick Leave Payments	83,502	50,000	(33,502)	44,679
Part-Time Management Supervision	-	1,500	1,500	9,530
Employee Retirement and Insurance	449,749	407,000	(42,749)	460,682
Insurance	115,918	124,000	8,082	115,229
Building Maintenance and Utilities	108,315	90,000	(18,315)	82,392
Equipment Lease and Maintenance	112,069	123,000	10,931	114,889
Legislative Council	36,112	15,000	(21,112)	29,961
Board of Directors	97,808	80,000	(17,808)	100,246
National Meeting Expense	41,756	25,000	(16,756)	46,850
Other Committee Expense	48,127	30,000	(18,127)	65,221
Printing	42,699	50,000	7,301	92,600
Audit	25,238	25,000	(238)	25,285
Staff Travel and Car Expense	109,500	100,000	(9,500)	95,946
Dues and Professional Publications	1,718	5,000	3,282	3,715
Legal	37,272	40,000	2,728	41,784
Legislative Services	26,700	24,000	(2,700)	24,201
Miscellaneous	131,344	111,000	(20,344)	30,840
Office Supplies	52,535	81,000	28,465	68,000
Telephone and Postage	57,178	85,000	27,822	58,831
Rulebook expenses	41,776	63,000	21,224	90,067
Officials	27,567	30,000	2,433	37,522
New Website	57,775	50,000	(7,775)	64,291
Total Administrative	3,033,413	2,763,859	(269,554)	3,025,930
Corporate Promotions:				
Corporate Promotions	25,119	40,000	14,881	29,657
Hall of Fame	40,622	28,000	(12,622)	34,436
Total Corporate Promotions	65,741	68,000	2,259	64,093

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUNDS
AVAILABLE—ACTUAL AND BUDGET (BUDGETARY BASIS) (CONTINUED)
(UNAUDITED)
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2018)
(SEE INDEPENDENT AUDITORS' REPORT)**

	2019		Variance - Favorable (Unfavorable)	2018
	Actual	Budget		Actual
EXPENDITURES (CONTINUED)				
Processing Fees	321	-	(321)	1,563
T-Shirt Expense	21,467	30,000	8,533	21,587
Equipment Purchases	13,869	-	(13,869)	-
	<u>35,657</u>	<u>30,000</u>	<u>(5,657)</u>	<u>23,150</u>
Total Expenditures	4,777,685	4,541,859	(235,826)	4,739,342
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES - BUDGETARY BASIS	501,419	<u>\$ 227,421</u>	<u>\$ 273,998</u>	<u>\$ 254,518</u>
Funds Available - Beginning of Year	<u>2,622,939</u>			
FUNDS AVAILABLE - END OF YEAR	3,124,358			
Less Funds Designated for Building Replacement	(448,065)			
Less Funds Designated for Prior Year Refund	<u>-</u>			
NET FUNDS AVAILABLE - END OF YEAR	<u>\$ 2,676,293</u>			
Funds Available is Computed as Follows:				
Current Assets	\$ 3,239,469			
Current Liabilities	(115,111)			
	<u>\$ 3,124,358</u>			

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(UNAUDITED)
YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

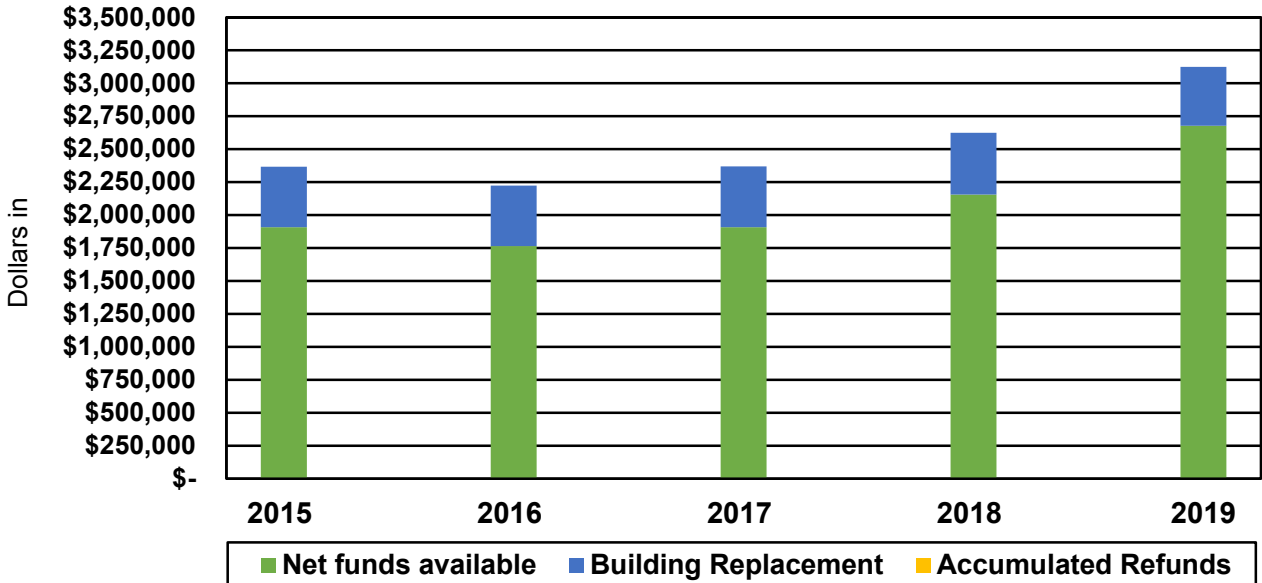
Revenue - Budgetary Basis	\$ 5,279,104
Total Revenue per Statement of Activities and Changes in Net Assets	5,279,104
Expenditures - Budgetary Basis	4,777,685
Depreciation	45,548
Equipment Purchases	(13,869)
Vacation and Sick Leave Accruals	(46,965)
Total Expenses per Statement of Activities and Changes in Net Assets	4,762,399
Change in Net Assets per Statement of Activities and Changes in Net Assets	\$ 516,705

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
ANALYSIS OF FUNDS AVAILABLE
YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	2015	2016	2017	2018	2019
Current Assets	\$ 2,596,815	\$ 2,492,273	\$ 2,598,996	\$ 2,736,300	\$ 3,239,469
Current Liabilities	(231,244)	(268,803)	(230,575)	(113,361)	(115,111)
Funds Available	<u>2,365,571</u>	<u>2,223,470</u>	<u>2,368,421</u>	<u>2,622,939</u>	<u>3,124,358</u>
Less: Funds Designated for Building Replacement	458,782	459,499	461,452	467,401	448,065
Less: Funds Designated for Prior Year Refund	-	-	-	-	-
Net Funds Available	<u>1,906,789</u>	<u>1,763,971</u>	<u>1,906,969</u>	<u>2,155,538</u>	<u>2,676,293</u>
Next Year's Budgeted Expenditures	4,104,500	4,334,000	4,376,500	4,583,859	4,704,500
Less: Prior Year Refund	-	-	-	-	-
Net Budgeted Expenditures	<u>4,104,500</u>	<u>4,334,000</u>	<u>4,376,500</u>	<u>4,583,859</u>	<u>4,704,500</u>
50% of Net Budgeted Expenditures	2,052,250	2,167,000	2,188,250	2,291,930	2,352,250
Less Funds Designated for 100% Travel Reimbursement	-	-	-	-	-
Net Refund Due	<u>\$ (145,461)</u>	<u>\$ (403,029)</u>	<u>\$ (281,281)</u>	<u>\$ (136,392)</u>	<u>\$ 324,043</u>

(1)

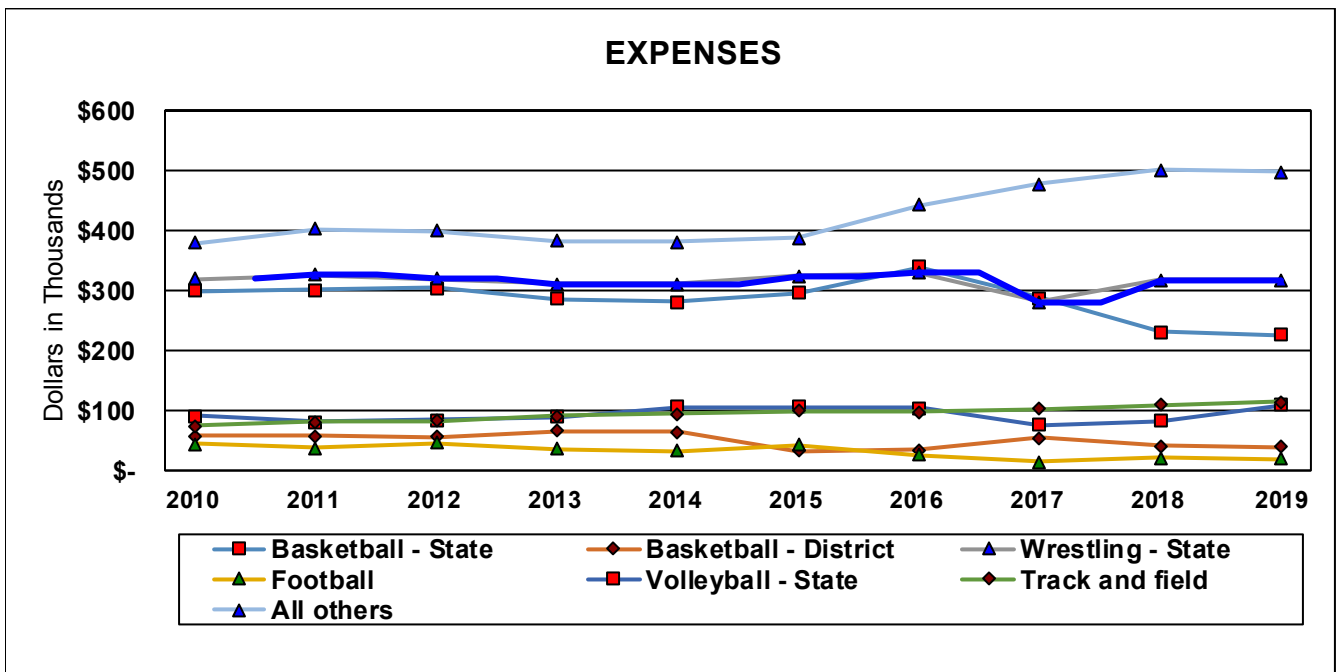
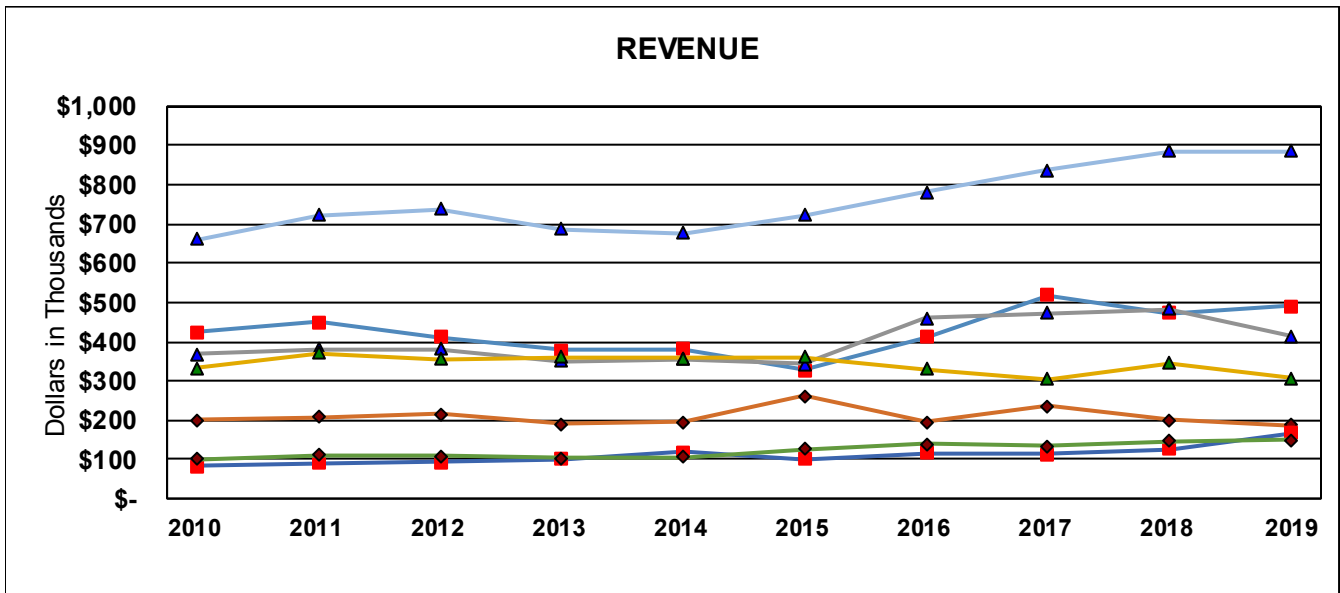
(1) The Board is to determine how this potential refund is to be used



**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULES OF TOURNAMENTS AND MEETS REVENUE AND EXPENSE
TEN YEAR COMPARISON
(SEE INDEPENDENT AUDITORS' REPORT)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUE										
Basketball - State	\$ 424,151	\$ 450,059	\$ 411,329	\$ 377,291	\$ 382,033	\$ 328,298	\$ 410,753	\$ 517,986	\$ 471,566	\$ 490,730
Basketball - District	201,053	207,449	215,772	190,731	194,765	260,576	194,278	235,640	201,539	187,684
Wrestling - State	369,079	381,389	379,794	349,762	356,522	343,938	460,576	472,154	481,780	413,698
Football	333,644	370,738	356,371	361,413	356,931	359,764	329,015	304,521	345,639	308,234
Volleyball - State	83,036	90,772	94,670	101,419	118,696	101,836	116,320	113,156	127,013	167,949
Track and Field	101,002	111,385	108,666	103,512	107,148	126,824	139,966	133,370	147,366	148,864
All Others	659,813	722,442	736,317	685,809	676,615	722,354	780,324	836,331	885,361	884,049
Total Revenue	<u>\$ 2,171,778</u>	<u>\$ 2,334,234</u>	<u>\$ 2,302,919</u>	<u>\$ 2,169,937</u>	<u>\$ 2,192,710</u>	<u>\$ 2,243,590</u>	<u>\$ 2,431,232</u>	<u>\$ 2,613,158</u>	<u>\$ 2,660,264</u>	<u>\$ 2,601,208</u>
EXPENSES										
Basketball - State	\$ 300,721	\$ 302,331	\$ 305,011	\$ 287,203	\$ 281,828	\$ 297,172	\$ 339,435	\$ 289,028	\$ 231,584	\$ 226,341
Basketball - District	58,079	58,342	57,245	66,215	64,797	32,707	34,830	54,789	41,514	39,496
Wrestling - State	320,401	326,906	320,258	311,804	312,602	325,172	330,128	281,102	318,994	318,686
Football	45,733	38,346	46,832	35,976	33,055	43,872	25,866	14,474	21,791	20,047
Volleyball - State	91,574	82,378	85,383	90,279	106,150	106,652	104,679	77,400	82,959	110,426
Track and Field	75,032	81,746	83,134	90,835	94,664	100,647	97,653	103,421	110,182	114,911
All Others	380,078	403,665	400,049	382,878	381,728	388,924	442,956	478,039	502,203	499,052
Total Expenses	<u>\$ 1,271,618</u>	<u>\$ 1,293,714</u>	<u>\$ 1,297,912</u>	<u>\$ 1,265,190</u>	<u>\$ 1,274,824</u>	<u>\$ 1,295,146</u>	<u>\$ 1,375,547</u>	<u>\$ 1,298,253</u>	<u>\$ 1,309,227</u>	<u>\$ 1,328,959</u>

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULES OF TOURNAMENTS AND MEETS REVENUE AND EXPENSE (CONTINUED)
TEN YEAR COMPARISON
(SEE INDEPENDENT AUDITORS' REPORT)**



**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULES OF TOURNAMENTS AND MEETS REVENUE AND EXPENSE (CONTINUED)
TEN YEAR COMPARISON
(SEE INDEPENDENT AUDITORS' REPORT)**

