

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2020 AND 2019

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
SCHEDULES OF CERTAIN REVENUE AND EXPENSES	16
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE—ACTUAL AND BUDGET (BUDGETARY BASIS)	17
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	21
ANALYSIS OF FUNDS AVAILABLE	22
SCHEDULES OF TOURNAMENTS AND MEETS REVENUE AND EXPENSE	23

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, 2020 and 2019, and the related statements of activities, 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, 2020 and 2019, 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.

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 the 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, 2017, and 2018, and the related statements of activities and changes in net assets, and cash flows for each of the nine years in the period ended June 30, 2018 (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, 2019, and 2020 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
November 16, 2020

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,912,642	\$ 3,094,514
Accounts Receivable, Net	133,415	114,725
Prepaid Expenses	-	30,230
Total Current Assets	3,046,057	3,239,469
PROPERTY AND EQUIPMENT		
Land	100,037	100,037
Building	1,222,181	1,222,181
Furniture and Equipment	80,293	80,293
	1,402,511	1,402,511
Less: Accumulated Depreciation	(935,115)	(889,971)
Total Property and Equipment	467,396	512,540
Total Assets	\$ 3,513,453	\$ 3,752,009
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 18,195	\$ 60,151
Deferred Revenue	13,262	21,309
Officials Registration Funds	-	33,651
PPP Loan Program Due Within One Year	135,553	-
Total Current Liabilities	167,010	115,111
OTHER LIABILITIES		
PPP Loan Program Due in More Than One Year	280,079	-
Accrued Sick Leave	99,523	108,485
Accrued Vacation Pay	172,073	146,923
Total Other Liabilities	551,675	255,408
Total Liabilities	718,685	370,519
NET ASSETS		
Without Donor Restrictions:		
Net Investment in Property and Equipment	467,396	512,540
Designated for Contingencies	1,655,509	2,420,885
Designated for Building Replacement	442,612	448,065
Designated for Use of Surplus Funds	229,251	-
Total Net Assets	2,794,768	3,381,490
Total Liabilities and Net Assets	\$ 3,513,453	\$ 3,752,009

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
REVENUE		
Program Revenue:		
Tournaments and Meets	\$ 1,708,235	\$ 2,601,208
Festivals and Programs	34,512	159,702
Student Council Division	154,520	158,748
Service and Late Fees	324,134	322,663
Participation Fees	570,617	785,425
Corporate Promotions	443,161	575,970
Coaching Certification	118,930	298,650
T-Shirt Rights Fees	40,000	126,000
Officials' Registration	42,750	45,870
Rulebook Sales	37,744	43,519
Interest	31,179	31,398
CHSAANow	31,732	34,393
Middle School Fees	16,100	18,540
Miscellaneous	61,733	57,468
Administrative Fees	18,810	19,550
Total Revenue	3,634,157	5,279,104
 EXPENSES		
Program Expenses:		
Tournaments and Meets	956,989	1,328,959
Festivals and Programs	54,298	171,308
Student Council Division	149,881	142,607
Management and General	3,059,711	3,119,525
Total Expenses	4,220,879	4,762,399
 CHANGE IN NET ASSETS	(586,722)	516,705
Net Assets - Beginning of Year	3,381,490	2,864,785
 NET ASSETS - END OF YEAR	\$ 2,794,768	\$ 3,381,490

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Program Activities			Supporting Services	Total
	Tournaments and Meets	Festivals and Programs	Student Council Division	Management and General	
Venue Costs	\$ 327,182	\$ 4,806	\$ 112,536	\$ -	\$ 444,524
Event Personnel Costs	413,603	11,686	9,914	(513)	434,690
Travel and Entertainment	106,818	8,994	9,162	-	124,974
Venue Supplies and Equipment	32,631	19,749	16,551	(35)	68,896
Committee Expense	14,479	1,789	1,718	-	17,986
Awards	62,276	7,274	-	-	69,550
Salaries and Wages	-	-	-	1,312,574	1,312,574
Benefits	-	-	-	474,020	474,020
Insurance and Taxes	-	-	-	118,783	118,783
Staff Travel and Car Expense	-	-	-	110,043	110,043
Dues and Professional Publications	-	-	-	7,026	7,026
Building Maintenance and Utilities	-	-	-	61,001	61,001
Equipment Lease and Maintenance	-	-	-	111,547	111,547
Legislative Council	-	-	-	20,689	20,689
Board of Directors	-	-	-	54,952	54,952
National Meeting Expense	-	-	-	29,665	29,665
Other Committee Expense	-	-	-	21,511	21,511
Printing	-	-	-	59,340	59,340
Audit	-	-	-	27,625	27,625
Legal	-	-	-	54,817	54,817
Legislative Services	-	-	-	28,800	28,800
Miscellaneous	-	-	-	236,845	236,845
Office Supplies	-	-	-	58,160	58,160
Telephone and Postage	-	-	-	74,300	74,300
Rulebook expenses	-	-	-	63,188	63,188
Officials	-	-	-	(300)	(300)
New Website	-	-	-	51,981	51,981
Corporate Promotions	-	-	-	22,208	22,208
Hall of Fame	-	-	-	6,396	6,396
T-Shirt Expense	-	-	-	9,944	9,944
Depreciation	-	-	-	45,144	45,144
Total Expenses	\$ 956,989	\$ 54,298	\$ 149,881	\$ 3,059,711	\$ 4,220,879

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
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (586,722)	\$ 516,705
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	45,144	45,548
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(18,690)	45,299
Prepaid Expenses	30,230	(1,642)
Deferred Revenue	(8,047)	(10,491)
Officials Registration Funds	(33,651)	4,636
Accounts Payable and Accrued Liabilities	(25,768)	(39,360)
Total Adjustments	(10,782)	43,990
Net Cash (Used) Provided by Operating Activities	(597,504)	560,695
 CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property and Equipment	-	(13,869)
Net Cash Used by Investing Activities	-	(13,869)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds From Issuance of Long-Term Debt	415,632	-
Net Cash Provided by Financing Activities	415,632	-
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(181,872)	546,826
Cash and Cash Equivalents - Beginning of Year	3,094,514	2,547,688
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,912,642	\$ 3,094,514

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 2020 and 2019, 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, 2020 AND 2019**

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).

Risks and Uncertainties

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Association, COVID-19 impacted and continues to impact various parts of its operations and financial results, including the cancelling of the final day of the 2020 State basketball tournament and all 2020 Spring activities. Management believes the Association is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 2020 and 2019, the Association's cash deposits and investments were as follows:

	2020		2019	
	Carrying Balance	Bank Balance	Carrying Balance	Bank Balance
Cash Deposits:				
Cash on Hand	\$ 300	\$ -	\$ 300	\$ -
Insured Deposits	750,000	750,000	750,000	750,000
Deposits Collateralized in Single Institution Pools	1,093,828	1,183,920	1,289,932	1,397,066
	1,844,128	\$ 1,933,920	2,040,232	\$ 2,147,066
Investments (at Fair Value):				
Local Government Investment Pool	1,068,514		1,054,282	
Total Cash and Investments	\$ 2,912,642		\$ 3,094,514	

As of June 30, 2020 and 2019, the Association had invested \$1,068,514 and \$1,054,282, 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, 2020 AND 2019**

NOTE 3 DESIGNATED NET ASSETS

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

	<u>2020</u>	<u>2019</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	1,385,509	2,150,885
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
Future Building Expansion or Replacement	442,612	448,065
Use of Surplus Funds	229,251	-
	<u>\$ 2,327,372</u>	<u>\$ 2,868,950</u>

NOTE 4 LONG-TERM OBLIGATIONS AND COMMITMENTS

Paycheck Protection Program

On April 30, 2020, the Association received a loan from KeyBank in the amount of \$415,632 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Association fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from April 30, 2020, to June 30, 2020, is the time that the Association has to spend their PPP Loan funds. To the extent that all or part of the PPP Loan is not forgiven, the Association will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing on November 30, 2020, principal and interest payments will be required through the maturity date on April 20, 2022.

The Association has not yet received forgiveness. Management anticipates that these amounts will be forgiven and the Association will not be required to repay this obligation.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 4 LONG-TERM OBLIGATIONS AND COMMITMENTS (CONTINUED)

The required annual principal payments are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>
2021	\$ 135,553
2022	280,079
Total	<u>\$ 415,632</u>

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 July 2022. The lease expense for the years ended June 30, 2020 and 2019 was \$47,510 and \$45,100, respectively.

The Association has entered into operating leases for copiers, printers, and a postage machine. During 2018, the Association entered into a lease agreement for copiers, which expires in June 2023. The postage machine lease expires in July 2022. Copier and printer lease expense for the years ended June 30, 2020 and 2019 was \$36,288 and \$47,726, respectively. Postage machine lease expense for the years ended June 30, 2020 and 2019 was \$6,357 and \$6,357, respectively.

The leases require annual minimum cash payments as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Postage Machine, Printers, and Copiers</u>	<u>Automobiles</u>
2021	\$ 37,341	\$ 48,620
2022	37,341	36,587
2023	30,984	23,537
Total	<u>\$ 105,666</u>	<u>\$ 108,744</u>

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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 \$269,106 and \$272,827, respectively, for the years ended June 30, 2020 and 2019. The contribution rate for covered payroll for the Association was 20.40% from July 1, 2019, through June 30, 2020.

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 \$18,810 and \$19,550 for the years ended June 30, 2020 and 2019, 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, 2020 and 2019, respectively, were \$42,750 and \$45,870.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 7 INCOME TAXES

The Association had no unrelated business income for the years ended June 30, 2020 and 2019. 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, 2020, the Internal Revenue Service has not proposed any adjustments that would result in a material change to the Association's financial position.

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, 2020 and 2019:

<u>June 30, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Local Government Investment Pool	<u>\$ -</u>	<u>\$ 1,068,514</u>	<u>\$ -</u>
<u>June 30, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Local Government Investment Pool	<u>\$ -</u>	<u>\$ 1,054,282</u>	<u>\$ -</u>

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 AVAILABLE RESOURCES AND LIQUIDITY

The Association has \$3,046,057 and \$3,209,239 at June 30, 2020 and 2019, respectively, of financial assets available within one year of the balance sheet date. This consists of cash and cash equivalents of \$2,912,642 and \$3,094,514 at June 30, 2020 and 2019, respectively, and accounts receivable of \$133,415 and \$114,725 at June 30, 2020 and 2019, respectively. 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. In addition, the Association has maintained its liquidity despite the impacts of COVID-19. The Association received the PPP Loan on May 4, 2020, for \$415,632, which helped their liquidity to cover payroll expenses despite the decrease in revenue from cutting the State basketball tournament short and not being able to have the Spring activities season. See Note 4 for PPP Loan repayment and forgiveness information.

NOTE 10 SUBSEQUENT EVENTS

Management evaluated subsequent events through November 16, 2020, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2020, but prior to November 16, 2020, that provided additional evidence about conditions that existed at June 30, 2020, have been recognized in the financial statements for the year ended June 30, 2020. Events of transactions that provided evidence about conditions that did not exist at June 30, 2020, 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, 2020.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULES OF CERTAIN REVENUE AND EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	2020		2019	
	Revenue	Expense	Revenue	Expense
TOURNAMENTS AND MEETS				
Baseball	\$ 23	\$ 3,147	\$ 114,484	\$ 53,352
Basketball - District - Boys and Girls	62,054	4,248	187,684	39,496
Basketball - State - Boys and Girls	112,831	121,203	490,730	226,341
Field Hockey	11,049	4,415	8,697	4,244
Football	301,136	22,069	308,234	20,047
Gymnastics	9,747	17,768	9,779	17,699
Ice Hockey	47,942	41,302	74,033	59,736
Lacrosse - Boys	-	968	32,892	8,296
Lacrosse - Girls	-	348	16,003	5,680
Soccer - Boys	63,251	29,507	68,822	29,919
Soccer - Girls	3,782	307	49,161	28,005
Softball	49,389	30,337	46,628	34,605
Spirit Competition	159,583	95,523	142,109	81,661
Swimming - Boys	-	4,405	27,707	15,470
Swimming - Girls	38,823	34,366	37,799	35,441
Track and Field - Boys and Girls	-	2,096	148,864	114,911
Volleyball - District	21,129	5,925	19,618	7,381
Volleyball - State	168,790	118,495	167,949	110,426
Wrestling - District	15,476	6,086	17,785	1,721
Wrestling - State	422,568	351,409	413,698	318,686
Courtesy Card Revenue and Other				
Tournaments and Meets Expenses	220,662	63,065	218,532	115,842
Total Tournaments and Meets	<u>\$ 1,708,235</u>	<u>\$ 956,989</u>	<u>\$ 2,601,208</u>	<u>\$ 1,328,959</u>
FESTIVALS AND PROGRAMS				
Speech Program	\$ 28,771	\$ 34,776	\$ 36,499	\$ 38,283
Music Festivals	5,741	19,522	123,203	133,025
Total Festivals and Programs	<u>\$ 34,512</u>	<u>\$ 54,298</u>	<u>\$ 159,702</u>	<u>\$ 171,308</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, 2020
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2019)
(SEE INDEPENDENT AUDITORS' REPORT)**

	2020		Variance - Favorable (Unfavorable)	2019
	Actual	Budget		Actual
REVENUE				
Tournaments and Meets:				
Baseball	\$ 23	\$ 90,000	\$ (89,977)	\$ 114,484
Basketball	174,885	600,000	(425,115)	678,414
Football	301,136	300,000	1,136	308,234
Gymnastics - Girls	9,747	10,000	(253)	9,779
Ice Hockey	47,942	55,000	(7,058)	74,033
Lacrosse - Boys	-	26,000	(26,000)	32,892
Lacrosse - Girls	-	14,000	(14,000)	16,003
Soccer - Boys	63,251	63,000	251	68,822
Soccer - Girls	3,782	53,000	(49,218)	49,161
Softball	49,389	45,000	4,389	46,628
Spirit Competition	159,583	150,000	9,583	142,109
Swimming - Boys	-	27,000	(27,000)	27,707
Swimming - Girls	38,823	35,000	3,823	37,799
Track and Field - Boys and Girls	-	125,000	(125,000)	148,864
Volleyball	189,919	182,000	7,919	187,567
Wrestling	438,044	435,000	3,044	431,483
Field Hockey	11,049	7,000	4,049	8,697
Courtesy Cards	220,662	244,500	(23,838)	218,532
Total Tournaments and Meets	<u>1,708,235</u>	<u>2,461,500</u>	<u>(753,265)</u>	<u>2,601,208</u>
Festivals and Programs:				
Speech Program	28,771	30,000	(1,229)	36,499
Music Festivals	5,741	120,000	(114,259)	123,203
Total Festival and Programs	<u>34,512</u>	<u>150,000</u>	<u>(115,488)</u>	<u>159,702</u>

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, 2020
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2019)
(SEE INDEPENDENT AUDITORS' REPORT)

	2020		Variance - Favorable (Unfavorable)	2019
	Actual	Budget		Actual
REVENUE (CONTINUED)				
Student Council Division	\$ 154,520	\$ 140,000	\$ 14,520	\$ 158,748
Middle School Division	16,100	12,000	4,100	18,540
Service and Late Fees	324,134	317,500	6,634	322,663
Participation Fees	570,617	760,000	(189,383)	785,425
Officials' Registration	42,750	40,000	2,750	45,870
Rulebook Sales	37,744	32,000	5,744	43,519
Interest	31,179	15,000	16,179	31,398
CHSAANow	31,732	20,000	11,732	34,393
Miscellaneous	61,733	24,700	37,033	57,468
Corporate Promotions	443,161	490,000	(46,839)	575,970
Coaching Certification	118,930	250,000	(131,070)	298,650
Electronic Platforms	-	10,000	(10,000)	-
T-Shirt Rights Fees	40,000	110,000	(70,000)	126,000
Administrative Fees	18,810	19,000	(190)	19,550
Total Revenue	3,634,157	4,851,700	(1,217,543)	5,279,104
EXPENDITURES				
Tournaments and Meets:				
Baseball	3,147	55,000	51,853	53,352
Basketball	125,451	305,000	179,549	265,837
Football	22,069	20,000	(2,069)	20,047
Gymnastics	17,768	19,500	1,732	17,699
Ice Hockey	41,302	50,000	8,698	59,736
Lacrosse - Boys	968	8,500	7,532	8,296
Lacrosse - Girls	348	5,000	4,652	5,680
Soccer - Boys	29,507	30,000	493	29,919
Soccer - Girls	307	26,000	25,693	28,005
Softball	30,337	35,000	4,663	34,605
Spirit Competition	95,523	81,000	(14,523)	81,661
Swimming - Boys	4,405	15,000	10,595	15,470
Swimming - Girls	34,366	32,000	(2,366)	35,441
Track and Field - Boys and Girls	2,096	100,000	97,904	114,911
Volleyball	124,420	131,000	6,580	117,807
Wrestling	357,495	310,000	(47,495)	320,407
Field Hockey	4,415	4,000	(415)	4,244
Other Tournaments and Courtesy Cards	63,065	108,000	44,935	115,842
	956,989	1,335,000	378,011	1,328,959

**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, 2020
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2019)
(SEE INDEPENDENT AUDITORS' REPORT)**

	2020		Variance - Favorable (Unfavorable)	2019
	Actual	Budget		Actual
EXPENDITURES (Continued)				
Festivals and Programs:				
Speech Program	34,776	40,000	5,224	38,283
Music Festivals	19,522	125,000	105,478	133,025
	<u>54,298</u>	<u>165,000</u>	<u>110,702</u>	<u>171,308</u>
Student Council Division	149,881	140,000	(9,881)	142,607
Administrative:				
Administrative Salaries	973,618	971,000	(2,618)	947,687
Secretarial and Clerical Salaries	338,956	350,000	11,044	381,068
Vacation and Sick Leave Payments	12,559	10,000	(2,559)	83,502
Part-Time Management Supervision	-	1,500	1,500	-
Employee Retirement and Insurance	445,273	252,000	(193,273)	449,749
Insurance	118,783	125,000	6,217	115,918
Building Maintenance and Utilities	61,001	75,000	13,999	108,315
Equipment Lease and Maintenance	111,547	120,000	8,453	112,069
Legislative Council	20,689	31,000	10,311	36,112
Board of Directors	54,952	75,000	20,048	97,808
National Meeting Expense	29,665	40,000	10,335	41,756
Other Committee Expense	21,511	45,000	23,489	48,127
Printing	59,340	60,000	660	42,699
Audit	27,625	25,000	(2,625)	25,238
Staff Travel and Car Expense	110,043	45,000	(65,043)	109,500
Dues and Professional Publications	7,026	5,000	(2,026)	1,718
Legal	54,817	30,000	(24,817)	37,272
Legislative Services	28,800	30,000	1,200	26,700
Miscellaneous	236,401	160,000	(76,401)	131,344
Office Supplies	58,160	50,000	(8,160)	52,535
Telephone and Postage	74,300	70,000	(4,300)	57,178
Rulebook expenses	63,188	70,000	6,812	41,776
All School Summit	-	50,000	50,000	-
Officials	(300)	32,000	32,300	27,567
New Website	51,981	70,000	18,019	57,775
Total Administrative	<u>2,959,935</u>	<u>2,792,500</u>	<u>(167,435)</u>	<u>3,033,413</u>
Corporate Promotions:				
Corporate Promotions	22,208	30,000	7,792	25,119
Hall of Fame	6,396	27,000	20,604	40,622
Total Corporate Promotions	<u>28,604</u>	<u>57,000</u>	<u>28,396</u>	<u>65,741</u>

**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, 2020
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2019)
(SEE INDEPENDENT AUDITORS' REPORT)**

	2020		Variance - Favorable (Unfavorable)	2019
	Actual	Budget		Actual
EXPENDITURES (CONTINUED)				
Processing Fees	(104)	-	104	321
T-Shirt Expense	9,944	20,000	10,056	21,467
Equipment Purchases	-	-	-	13,869
	9,840	20,000	10,160	35,657
Total Expenditures	4,159,547	4,509,500	349,953	4,777,685
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES - BUDGETARY BASIS	(525,390)	\$ 342,200	\$ (867,590)	\$ 501,419
Funds Available - Beginning of Year	3,124,358			
FUNDS AVAILABLE - END OF YEAR	2,598,968			
Funds Available is Computed as Follows:				
Current Assets	\$ 3,046,057			
Less Paycheck Protection Program	\$ (415,632)			
Less other current liabilities	(31,457)			
FUNDS AVAILABLE - END OF YEAR	\$ 2,598,968			
Less Funds Designated for Building Replacement	(442,612)			
Less Funds Designated for Prior Year Refund	(229,251)			
NET FUNDS AVAILABLE - END OF YEAR	\$ 1,927,105			

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(UNAUDITED)
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

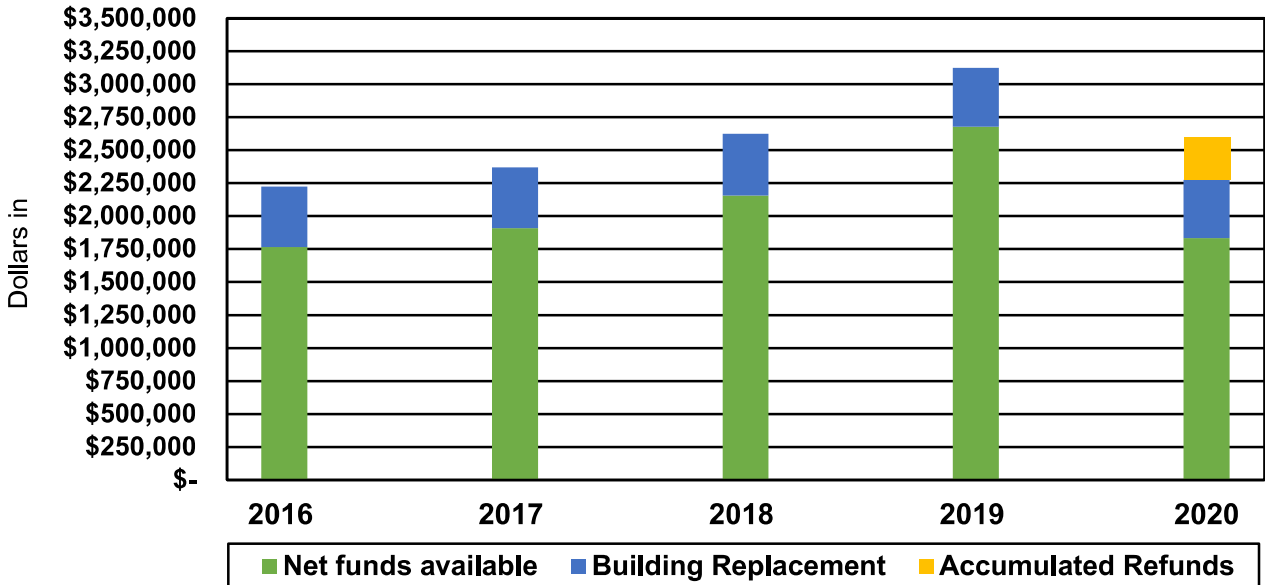
Revenue - Budgetary Basis	<u>\$ 3,634,157</u>
Total Revenue per Statement of Activities and Changes in Net Assets	<u>3,634,157</u>
Expenditures - Budgetary Basis	4,159,547
Depreciation	45,144
Equipment Purchases	-
Vacation and Sick Leave Accruals	<u>16,188</u>
Total Expenses per Statement of Activities and Changes in Net Assets	<u>4,220,879</u>
Change in Net Assets per Statement of Activities	<u><u>\$ (586,722)</u></u>

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
ANALYSIS OF FUNDS AVAILABLE
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2016	2017	2018	2019	2020
Current Assets	\$ 2,492,273	\$ 2,598,996	\$ 2,736,300	\$ 3,239,469	\$ 3,046,057
Current Liabilities	(268,803)	(230,575)	(113,361)	(115,111)	(447,089)
Funds Available	<u>2,223,470</u>	<u>2,368,421</u>	<u>2,622,939</u>	<u>3,124,358</u>	<u>2,598,968</u>
Less: Funds Designated for Building Replacement	459,499	461,452	467,401	448,065	442,612
Less: Funds Designated for Prior Year Refund	-	-	-	-	324,043
Net Funds Available	<u>1,763,971</u>	<u>1,906,969</u>	<u>2,155,538</u>	<u>2,676,293</u>	<u>1,832,313</u>
Next Year's Budgeted Expenditures	4,334,000	4,376,500	4,583,859	4,704,500	4,919,200
Less: Prior Year Refund	-	-	-	-	-
Net Budgeted Expenditures	<u>4,334,000</u>	<u>4,376,500</u>	<u>4,583,859</u>	<u>4,704,500</u>	<u>4,919,200</u>
50% of Net Budgeted Expenditures	2,167,000	2,188,250	2,291,930	2,352,250	2,459,600
Less Funds Designated for 100% Travel Reimbursement	-	-	-	-	-
Net Refund Due	<u>\$ (403,029)</u>	<u>\$ (281,281)</u>	<u>\$ (136,392)</u>	<u>\$ 324,043</u>	<u>\$ (627,287)</u>

(1)

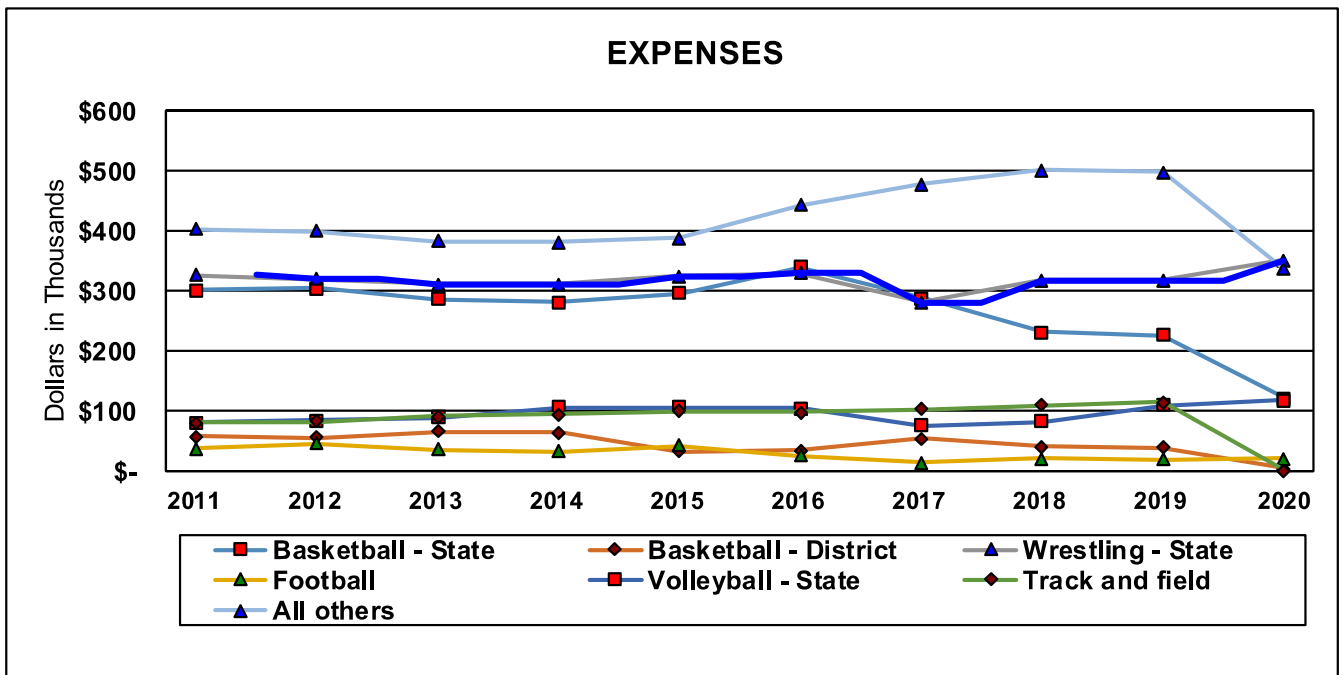
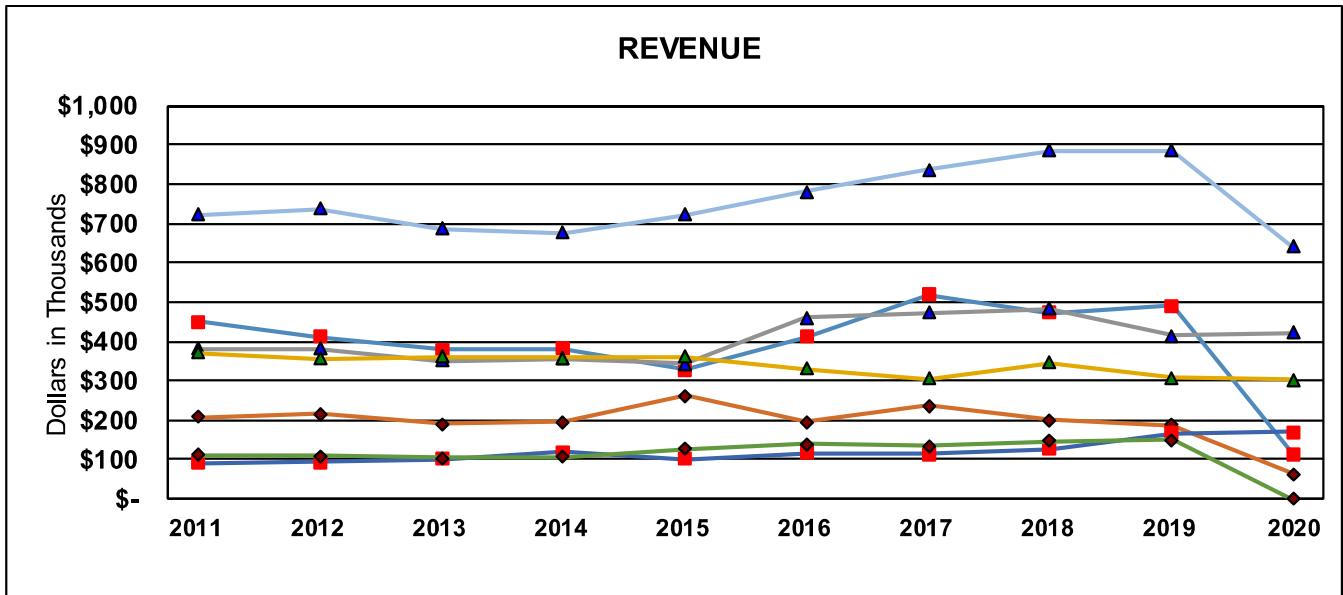
(1) The Board determined that the refund is to be used to offset expenses that would normally be paid by the schools.



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUE										
Basketball - State	\$ 450,059	\$ 411,329	\$ 377,291	\$ 382,033	\$ 328,298	\$ 410,753	\$ 517,986	\$ 471,566	\$ 490,730	\$ 112,831
Basketball - District	207,449	215,772	190,731	194,765	260,576	194,278	235,640	201,539	187,684	62,054
Wrestling - State	381,389	379,794	349,762	356,522	343,938	460,576	472,154	481,780	413,698	422,568
Football	370,738	356,371	361,413	356,931	359,784	329,015	304,521	345,639	308,234	301,136
Volleyball - State	90,772	94,670	101,419	118,696	101,836	116,320	113,156	127,013	167,949	168,790
Track and Field	111,385	108,666	103,512	107,148	126,824	139,966	133,370	147,366	148,864	-
All Others	722,442	736,317	685,809	676,615	722,354	780,324	836,331	885,361	884,049	640,856
Total Revenue	<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>	<u>\$ 1,708,235</u>
EXPENSES										
Basketball - State	\$ 302,331	\$ 305,011	\$ 287,203	\$ 281,828	\$ 297,172	\$ 339,435	\$ 289,028	\$ 231,584	\$ 226,341	\$ 121,203
Basketball - District	58,342	57,245	66,215	64,797	32,707	34,830	54,789	41,514	39,496	4,248
Wrestling - State	326,906	320,258	311,804	312,602	325,172	330,128	281,102	318,994	318,686	351,409
Football	38,346	46,832	35,976	33,055	43,872	25,866	14,474	21,791	20,047	22,069
Volleyball - State	82,378	85,383	90,279	106,150	106,652	104,679	77,400	82,959	110,426	118,495
Track and Field	81,746	83,134	90,835	94,664	100,647	97,653	103,421	110,182	114,911	2,096
All Others	403,665	400,049	382,878	381,728	388,924	442,956	478,039	502,203	499,052	337,469
Total Expenses	<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>	<u>\$ 956,989</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)**

