

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
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YEARS ENDED JUNE 30, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado High School Activities Association
Aurora, Colorado

Report on the Financial Statements

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2023 the Association adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Colorado High School Activities 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado High School Activities 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

Other Information

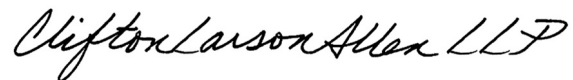
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Certain Revenue and Expenses and the Analysis of Funds Available and the Schedules of Tournaments and Meets Revenue and Expense for the years ended June 30, 2023 and 2022 are presented 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 Statement 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 responsibility 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, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021, and the related statements of activities and changes in net assets, and cash flows for each of the ten years in the period ended June 30, 2021, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements. Those audits were conducted for purposes of forming an opinion on the financial statements as a whole. The accompanying Analysis of Funds Available and the Schedules of Tournaments and Meets Revenue and Expense for the years ended June 30, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 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 relates directly to the underlying accounting and other records used to prepare the June 30, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 financial statements.

Board of Directors
Colorado High School Activities Association

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 for the years ended Jun 30, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 is fairly stated in all material respects in relation to the financial statements from which it has been derived.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado

October 23, 2023

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

| | 2023 | 2022 |
|---|--------------|--------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 2,984,348 | \$ 2,195,722 |
| Accounts Receivable, Net | 440,174 | 518,551 |
| Prepaid Expenses | 72,548 | 39,085 |
| Total Current Assets | 3,497,070 | 2,753,358 |
| PROPERTY AND EQUIPMENT | | |
| Land | 172,751 | 100,037 |
| Building | 1,222,202 | 1,222,181 |
| Furniture and Equipment | 137,973 | 80,293 |
| Subtotal | 1,532,926 | 1,402,511 |
| Less: Accumulated Depreciation | (1,067,257) | (1,022,569) |
| Total Property and Equipment | 465,669 | 379,942 |
| RIGHT-OF-USE ASSETS | 190,486 | - |
| Total Assets | \$ 4,153,225 | \$ 3,133,300 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 138,355 | \$ 158,337 |
| Deferred Revenue | 10,720 | 22,595 |
| Lease Liabilities, Current Portion | 65,163 | - |
| Total Current Liabilities | 214,238 | 180,932 |
| OTHER LIABILITIES | | |
| Accrued Sick Leave | 66,054 | 55,402 |
| Accrued Vacation Pay | 172,637 | 111,687 |
| Lease Liabilities, Net of Current Portion | 125,323 | - |
| Total Other Liabilities | 364,014 | 167,089 |
| Total Liabilities | 578,252 | 348,021 |
| NET ASSETS | | |
| Without Donor Restrictions | | |
| Net Investment in Property and Equipment | 465,669 | 379,942 |
| Designated for Contingencies | 2,844,731 | 1,903,759 |
| Designated for Building Replacement | 250,000 | 454,370 |
| Designated for Use of Surplus Funds | 14,573 | 47,208 |
| Total Net Assets | 3,574,973 | 2,785,279 |
| Total Liabilities and Net Assets | \$ 4,153,225 | \$ 3,133,300 |

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022**

| | 2023 | 2022 |
|---------------------------------|--------------|--------------|
| REVENUE | | |
| Program Revenue | | |
| Tournaments and Meets | \$ 3,313,636 | \$ 2,954,699 |
| Festivals and Programs | 104,214 | 84,087 |
| Student Council Division | 85,800 | 8,753 |
| Grants In-Kind | 150,000 | - |
| Service and Late Fees | 367,920 | 336,627 |
| Participation Fees | 958,689 | 897,683 |
| Corporate Promotions | 802,992 | 599,474 |
| Coaching Certification | 74,320 | 60,126 |
| T-Shirt Rights Fees | 157,705 | 146,196 |
| Officials' Registration | 106,813 | 125,056 |
| Rulebook Sales | 53,537 | 28,681 |
| Interest | 17,297 | 11,156 |
| CHSAANow | 13,953 | 21,076 |
| Middle School Fees | 23,750 | 9,040 |
| PPP Loan Forgiveness | - | 335,754 |
| Miscellaneous | 107,082 | 66,731 |
| Employee Retention Credit | 227,236 | 0 |
| Administrative Fees | 18,810 | 18,810 |
| Total Revenue | 6,583,754 | 5,703,949 |
| EXPENSES | | |
| Program Expenses | | |
| Tournaments and Meets | 2,875,073 | 2,479,976 |
| Festivals and Programs | 178,452 | 154,852 |
| Student Council Division | 214,976 | 74,725 |
| Management and General | 2,525,559 | 2,060,339 |
| Total Expenses | 5,794,060 | 4,769,892 |
| CHANGE IN NET ASSETS | 789,694 | 934,057 |
| Net Assets - Beginning of Year | 2,785,279 | 1,851,222 |
| NET ASSETS - END OF YEAR | \$ 3,574,973 | \$ 2,785,279 |

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

| | Program Activities | | | Supporting Services | Total |
|------------------------------------|--------------------------|---------------------------|-----------------------------------|---------------------------|---------------------|
| | Tournaments and Meets | Festivals and Programs | Student Leadership Division | Management and General | |
| Venue Costs | \$ 904,624 | \$ 3,692 | \$ 23,939 | \$ - | \$ 932,255 |
| Event Personnel Costs | 494,945 | 49,846 | 12,282 | 6,685 | 563,758 |
| Facility Usage (In-Kind) | 150,000 | - | - | - | 150,000 |
| Awards | 104,414 | 3,994 | - | - | 108,408 |
| Travel and Entertainment | 219,668 | 30,165 | 101,352 | - | 351,185 |
| Venue Supplies and Equipment | 86,673 | 16,766 | 9,125 | - | 112,564 |
| Insurance and Taxes | 3,120 | - | - | 180,850 | 183,970 |
| Salaries and Wages | 563,419 | 49,263 | 49,263 | 797,691 | 1,459,636 |
| Benefits | 217,481 | 19,016 | 19,015 | 307,910 | 563,422 |
| Miscellaneous | - | - | - | 93,791 | 93,791 |
| Equipment Lease and Maintenance | - | - | - | 155,814 | 155,814 |
| Staff Travel and Car Expense | - | - | - | 93,356 | 93,356 |
| Officials | 130,534 | - | - | - | 130,534 |
| Building Maintenance and Utilities | - | - | - | 135,721 | 135,721 |
| Telephone and Postage | - | - | - | 54,292 | 54,292 |
| New Website | - | - | - | 35,693 | 35,693 |
| National Meeting Expense | - | - | - | 52,815 | 52,815 |
| Depreciation | - | - | - | 44,688 | 44,688 |
| Rulebook Expenses | - | - | - | 73,001 | 73,001 |
| Legal | - | - | - | 25,326 | 25,326 |
| Audit | - | - | - | 35,611 | 35,611 |
| Legislative Services | - | - | - | 93,599 | 93,599 |
| Board of Directors | - | - | - | 60,778 | 60,778 |
| Office Supplies | - | - | - | 56,451 | 56,451 |
| Printing | - | - | - | 18,772 | 18,772 |
| Software and Small Equipment | - | - | - | 15,677 | 15,677 |
| Bad Debt Expense | - | - | - | 10,781 | 10,781 |
| Corporate Promotions | - | - | - | 22,558 | 22,558 |
| Dues and Professional Publications | - | - | - | 8,638 | 8,638 |
| Other Committee Expense | 195 | 829 | - | 4,682 | 5,706 |
| Media Expense | - | - | - | 5,382 | 5,382 |
| Hall of Fame | - | - | - | 67,526 | 67,526 |
| Instrument Expenses | - | 4,881 | - | - | 4,881 |
| All School Summit | - | - | - | 43,530 | 43,530 |
| T-Shirt Expense | - | - | - | 23,941 | 23,941 |
| | <u>\$ 2,875,073</u> | <u>\$ 178,452</u> | <u>\$ 214,976</u> | <u>\$ 2,525,559</u> | <u>\$ 5,794,060</u> |

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

| | Program Activities | | | Supporting Services | Total |
|------------------------------------|--------------------------|---------------------------|-----------------------------------|---------------------------|---------------------|
| | Tournaments and Meets | Festivals and Programs | Student Leadership Division | Management and General | |
| Venue Costs | \$ 988,355 | \$ 17,408 | \$ 3,138 | \$ - | \$ 1,008,901 |
| Event Personnel Costs | 349,644 | 39,974 | 217 | 3,966 | 393,801 |
| Awards | 91,675 | 6,055 | - | - | 97,730 |
| Travel and Entertainment | 157,056 | 15,260 | 3,800 | - | 176,116 |
| Venue Supplies and Equipment | 57,687 | 10,867 | 5,337 | - | 73,891 |
| Insurance and Taxes | 3,121 | - | - | 154,482 | 157,603 |
| Salaries and Wages | 510,671 | 44,651 | 44,651 | 723,010 | 1,322,983 |
| Benefits | 201,087 | 17,582 | 17,582 | 284,700 | 520,951 |
| Miscellaneous | - | - | - | 57,655 | 57,655 |
| Equipment Lease and Maintenance | - | - | - | 93,187 | 93,187 |
| Staff Travel and Car Expense | - | - | - | 99,803 | 99,803 |
| Officials | 117,682 | - | - | - | 117,682 |
| Building Maintenance and Utilities | - | - | - | 72,428 | 72,428 |
| Telephone and Postage | - | - | - | 67,085 | 67,085 |
| New Website | - | - | - | 43,517 | 43,517 |
| National Meeting Expense | - | - | - | 53,590 | 53,590 |
| Depreciation | - | - | - | 42,311 | 42,311 |
| Rulebook Expenses | - | - | - | 47,393 | 47,393 |
| Legal | - | - | - | 35,755 | 35,755 |
| Audit | - | - | - | 29,067 | 29,067 |
| Legislative Services | - | - | - | 62,358 | 62,358 |
| Board of Directors | - | - | - | 56,199 | 56,199 |
| Office Supplies | - | - | - | 32,245 | 32,245 |
| Printing | - | - | - | 19,484 | 19,484 |
| Software and Small Equipment | - | - | - | 14,109 | 14,109 |
| Bad Debt Expense | - | - | - | (83) | (83) |
| Corporate Promotions | - | - | - | 6,000 | 6,000 |
| Dues and Professional Publications | - | - | - | 10,297 | 10,297 |
| Other Committee Expense | 2,998 | 250 | - | 780 | 4,028 |
| Media Expense | - | - | - | 871 | 871 |
| Hall of Fame | - | - | - | 39,562 | 39,562 |
| Instrument Expenses | - | 2,805 | - | - | 2,805 |
| All School Summit | - | - | - | 10,568 | 10,568 |
| Total Expenses | \$ 2,479,976 | \$ 154,852 | \$ 74,725 | \$ 2,060,339 | \$ 4,769,892 |

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 789,694 | \$ 934,057 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation | 44,688 | 42,311 |
| Forgiveness of PPP Loan | - | (335,754) |
| Effects of Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable | 78,377 | 25,120 |
| Insurance Receivable | - | 1,000,000 |
| Prepaid Expenses | (33,463) | (21,610) |
| Deferred Revenue | (11,875) | (89,945) |
| Accounts Payable and Accrued Liabilities | 51,620 | (122,635) |
| Settlement Payable | - | (1,900,000) |
| Total Adjustments | <u>129,347</u> | <u>(1,402,513)</u> |
| Net Cash Provided (Used) by Operating Activities | 919,041 | (468,456) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions of Property and Equipment | <u>(130,415)</u> | <u>-</u> |
| Net Cash Used by Investing Activities | <u>(130,415)</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 788,626 | (468,456) |
| Cash and Cash Equivalents - Beginning of Year | <u>2,195,722</u> | <u>2,664,178</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 2,984,348</u> | <u>\$ 2,195,722</u> |

See accompanying Notes to Financial Statements.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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 accounting principles generally accepted in the United States of America (U.S. GAAP) 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 statements 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 due from customers and 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, 2023 and 2022, 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, 2023 AND 2022**

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 and payable when an employee is no longer employed by the Association.

Revenue Recognition Significant Accounting Policies Under ASC 606

Program Revenue

Program revenue exists in the form of ticket sales to events for the various activities throughout the school year. These events include tournaments and meets, festivals and programs, and student council division events. Performance obligations are providing a service at a point in time. Revenue is recognized at the time the event is held. Unearned program revenue is reflected as deferred revenue on the statements of financial position. Customers include high schools throughout the state of Colorado and corporate sponsors; as such, amounts due from customers are often considered highly collectible.

Participation, Registration, Service, and Late Fees

Participation, registration, service, and late fees are recognized rateably over the period of service, which varies based on which season or school year the fees are for. Unearned fees (if any) revenue is reflected as deferred revenue on the statements of financial position. Typically, payment is received in period of service. Participants, coaches, and officials are provided with access to the seasonal activities, and revenue is recognized as those seasons occur. Fees are allocated among the performance obligations and are recognized when each performance obligation is satisfied.

Corporate Promotions

Corporate promotions are recognized rateably over the period of service, which varies based on which season or school year the promotion is for. Unearned promotion revenue (if any) is reflected as deferred revenue on the statements of financial position. Corporate partners are provided with sponsorship opportunities in many forms, and revenue is recognized as the opportunities occur, usually correlating with specific activity seasons or the school year.

T-Shirt Rights Fees

T-shirt rights fees are recognized rateably over period of service, which occurs for each activity season. Unearned rights fees are reflected as deferred revenue on the statements of financial position. The corporate partner for t-shirt rights fees is provided with sponsorship opportunity each activity season, and revenue is recognized as those seasons occur.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Certain salary, benefits and other expenses are charged to programs based upon estimated time and effort. Other administrative and operating expenses include those expenses that are not 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.

Donated Goods and Services

Goods and services meeting recognition criteria under U.S. GAAP are also recorded as public support and as an expense, based on estimated fair value and type of service provided. During the year ended June 30, 2023, the Association received \$150,000 of in-kind donations from the City of Denver to offset an equal amount of program tournament expenses for hosting three tournaments at the Denver Coliseum. The revenue is reported as Grants In-Kind and the expense is reported within Tournaments and Meets expense on the Statement of Activities. There was no similar grant in fiscal year 2022.

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 8).

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the financial position. Most prominent of 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 financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Association has elected the package of practical expedients available in the year of adoption. The Association has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Association's ROU assets. The Association has elected to adopt the transition relief provisions from ASU 2018-11, recording the impact of adoption as of July 1, 2022, without restating any prior-year amounts.

As a result of the adoption of the new lease accounting guidance, the Association recognized on July 1, 2022, a lease liability of \$48,007, which represents the present value of the remaining operating lease payments of \$49,776, discounted using the weighted average risk free rate of 2.9%, and an ROU asset of \$48,007.

The Association leases automobiles, copiers and a postage machine. The Association determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets, current liabilities, and other liabilities on the statements of financial position.

ROU assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the Association's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Association uses its risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Certain leases may include options to either extend or terminate the lease. The extension or termination option is included in to the ROU asset when it is reasonably certain that the Association will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Association has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the financial position.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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, 2023 and 2022, the Association's cash deposits (including money market accounts and certificates of deposit) and investments were as follows:

| | 2023 | | 2022 | |
|--|---------------------|---------------------|---------------------|---------------------|
| | Carrying Balance | Bank Balance | Carrying Balance | Bank Balance |
| Cash Deposits | | | | |
| Cash on Hand | \$ 195 | \$ - | \$ 195 | \$ - |
| Insured Deposits | 754,800 | 754,800 | 750,216 | 750,216 |
| Deposits Collateralized in Single Institution Pools | 2,227,278 | 2,376,190 | 1,443,308 | 1,064,286 |
| Subtotal | 2,982,273 | <u>\$ 3,130,990</u> | 2,193,719 | <u>\$ 1,814,502</u> |
| Investments (at Fair Value) | | | | |
| Local Government Investment Pool | 2,075 | | 2,003 | |
| Total Cash and Investments | <u>\$ 2,984,348</u> | | <u>\$ 2,195,722</u> | |

As of June 30, 2023 and 2022, the Association had invested \$2,075 and \$2,003, 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, 2023 AND 2022**

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>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Legal Contingencies | \$ 250,000 | \$ 15,000 |
| Insurance Contingencies - Unemployment | - | 20,000 |
| General Reserve to be Used at the Discretion of the Board of Directors | 2,294,731 | 1,633,759 |
| Emergency Travel and Expense | - | 10,000 |
| Sick and Vacation Leave | 100,000 | 115,000 |
| Tournament Cancellation Revenue Loss | 200,000 | 100,000 |
| Long-Term Building Maintenance | - | 10,000 |
| Future Building Expansion or Replacement | 250,000 | 454,370 |
| Use of Surplus Funds | 14,573 | 47,208 |
| Total | <u>\$ 3,109,304</u> | <u>\$ 2,405,337</u> |

NOTE 4 CORONAVIRUS

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). Through the PPP program, the loan had a fixed rate of 1% and was unsecured and guaranteed by the U.S. Small Business Administration (SBA). The Association received forgiveness for the full balance of this loan on February 22, 2021.

On March 3, 2021, the Association received a second PPP Loan from KeyBank in the amount of \$335,754. The Association received forgiveness for the full balance of this loan on February 1, 2022.

For any forgiven amounts, the SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will note have a material adverse impact on the association's financial position.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 4 CORONAVIRUS (CONTINUED)

Employee Retention Credits

During the year ended June 30, 2023, the Association applied for Employee Retention Credits (ERC) in compliance with the program for quarters two and three of 2020 and quarter one of 2021. The ERC is a credit against certain payroll taxes allowed to an eligible employer for qualifying wages, which was established by the CARES Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). Grants related to this program are classified as a contribution and included as revenue on the accompany statements of activities. Net of costs of associated with filing the ERC, the Association recognized \$227,236 of contributions related to performance requirements being met and cost being incurred in compliance with the program during the year ended June 30, 2023, which is the year in which all conditions were met and the ERC application approved by the Internal Revenue Service. The second quarter 2020 and first quarter 2021 ERC payments were received in January 2023.

Laws and regulations concerning government programs, including the PPP loan and ERC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Association's claim to the PPP loan, ERC, and it is not possible to determine the impact (if any) this would have upon the Association.

NOTE 5 LEASES

Operating Leases – ASC 842

The Association has entered into several leases for automobiles under operating leases through September 2026. The Association has entered into operating leases for copiers and a postage machine that expire in February 2028 and June 2024, respectively.

The following table provides quantitative information concerning the Association's leases.

| | |
|--|------------------|
| Lease Costs | |
| Operating Lease Costs | 48,068 |
| Short-Term Lease Costs | 39,655 |
| Total Lease Costs | <u>\$ 87,723</u> |
| Other Information | |
| Operating Cash Flows for Operating Leases | 46,969 |
| Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities (ASC Adoption) | 48,007 |
| Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities During 2023 | 230,153 |
| Weighted-Average Remaining Lease Term - Operating Leases | 3.3 Years |
| Weighted-Average Discount Rate - Operating Leases | 3.58% |

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 5 LEASES (CONTINUED)

Operating Leases – ASC 842 (Continued)

The Association classifies the total discounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

| <u>Fiscal Year Ended June 30,</u> | <u>Equipment and Automobiles</u> |
|-----------------------------------|--------------------------------------|
| 2024 | \$ 70,790 |
| 2025 | 57,240 |
| 2026 | 43,309 |
| 2027 | 19,223 |
| 2028 | 11,592 |
| Total Lease Payments | <u>202,154</u> |
| Less: Interest | (11,668) |
| Total | <u><u>\$ 190,486</u></u> |

Operating Lease Agreements– ASC 840

The Association elected to apply the provisions of FASB Accounting Standards Codification (ASC) 842 to the beginning of the period of adoption. Lease disclosures for the year ended June 30, 2022, are made under prior lease guidance in FASB ASC 840.

The automobile lease expense for the year ended June 30, 2022 was \$46,471. The copier and printer lease expense for the year ended June 30, 2022 was \$32,922. The Postage machine lease expense for the year ended June 30, 2023 was \$6,357.

As of June 30, 2022, the leases require annual minimum cash payments as follows:

| <u>Fiscal Year Ended June 30,</u> | <u>Equipment and Automobiles</u> |
|-----------------------------------|--------------------------------------|
| 2023 | \$ 68,571 |
| 2024 | 11,999 |
| Total | <u><u>\$ 80,570</u></u> |

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 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 11.0% and 10.5% of their salary to PERA for the years ending June 30, 2023 and 2022, respectively. 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 \$315,120 and \$297,183, respectively, for the years ended June 30, 2023 and 2022. The contribution rate for covered payroll for the Association was 21.57% from July 1, 2022, through June 30, 2023.

NOTE 7 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 \$18,810 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022, respectively, were \$39,357 and \$125,056.

NOTE 8 INCOME TAXES

The Association had no unrelated business income for the years ended June 30, 2023 and 2022. 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, 2023, 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, 2023 AND 2022**

NOTE 9 FAIR VALUE MEASUREMENTS

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, 2023 and 2022:

| | June 30, 2023 | | |
|----------------------------------|---------------|----------|---------|
| | Level 1 | Level 2 | Level 3 |
| Local Government Investment Pool | \$ - | \$ 2,075 | \$ - |
| | June 30, 2022 | | |
| | Level 1 | Level 2 | Level 3 |
| Local Government Investment Pool | \$ - | \$ 2,003 | \$ - |

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 10 AVAILABLE RESOURCES AND LIQUIDITY

The Association has \$3,424,522 and \$2,714,273 at June 30, 2023 and 2022, respectively, of financial assets available within one year of the statement of financial position date. This consists of cash and cash equivalents of \$2,984,348 and \$2,195,722 at June 30, 2023 and 2022, respectively, and accounts receivable of \$440,174 and \$518,551 at June 30, 2023 and 2022, 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 financial position 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. The Association and the board have discussed the importance of building its reserves back up to levels prior to the pandemic and a large settlement made in previous years so that there are enough reserves on hand to cover 12 months of operating expenses. The goal is to build the reserves up within 7-10 years.

NOTE 11 SUBSEQUENT EVENTS

Management evaluated subsequent events through October 23, 2023, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2023, but prior to October 23, 2023, that provided additional evidence about conditions that existed at June 30, 2023, have been recognized in the financial statements for the year ended June 30, 2023. Events of transactions that provided evidence about conditions that did not exist at June 30, 2023, 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, 2023.

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULES OF CERTAIN REVENUE AND EXPENSES
YEARS ENDED JUNE 30, 2023 AND 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

| | 2023 | | 2022 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Revenue | Expense | Revenue | Expense |
| TOURNAMENTS AND MEETS | | | | |
| Baseball | \$ 102,875 | \$ 81,898 | \$ 145,199 | \$ 51,884 |
| Basketball - District - Boys and Girls | 91,293 | 3,569 | 122,670 | 2,302 |
| Basketball - State - Boys and Girls | 817,423 | 419,294 | 537,661 | 304,317 |
| Esports | 36,693 | 16,485 | 41,367 | 13,258 |
| Field Hockey | 16,676 | 5,768 | 13,210 | 4,416 |
| Football | 289,672 | 16,855 | 406,438 | 15,276 |
| Gymnastics | 11,285 | 20,476 | 9,962 | 18,957 |
| Ice Hockey | 84,292 | 54,047 | 113,650 | 91,068 |
| Lacrosse - Boys | 69,784 | 15,159 | 72,481 | 16,805 |
| Lacrosse - Girls | 38,005 | 13,204 | 33,418 | 10,568 |
| Soccer - Boys | 88,288 | 38,297 | 75,122 | 29,674 |
| Soccer - Girls | 84,053 | 37,951 | 99,018 | 33,508 |
| Softball | 64,952 | 36,262 | 57,062 | 25,234 |
| Spirit Competition | 206,037 | 101,787 | 136,676 | 113,661 |
| Swimming - Boys | 39,834 | 31,313 | 34,890 | 21,334 |
| Swimming - Girls | 55,986 | 47,353 | 55,470 | 32,088 |
| Track and Field - Boys and Girls | 223,785 | 148,722 | 177,375 | 130,795 |
| Unified Bowling | 1,690 | 2,545 | 1,270 | 1,098 |
| Volleyball - District | 37,351 | 11,538 | 34,091 | 6,233 |
| Volleyball - State | 185,596 | 86,968 | 145,286 | 144,324 |
| Wrestling - District | 23,061 | 4,809 | 18,831 | 1,266 |
| Wrestling - State | 550,662 | 488,813 | 457,209 | 436,962 |
| Management and General allocated to tournaments | - | 911,434 | - | 829,440 |
| Courtesy Card Revenue and Other | | | | |
| Tournaments and Meets Expenses | 194,344 | 130,526 | 166,343 | 145,508 |
| Total Tournaments and Meets* | <u>\$ 3,313,636</u> | <u>\$ 2,725,073</u> | <u>\$ 2,954,699</u> | <u>\$ 2,479,976</u> |
| <i>*Does not include in-kind tournament revenue and costs</i> | | | | |
| FESTIVALS AND PROGRAMS | | | | |
| Speech Program | \$ 28,010 | \$ 38,033 | \$ 25,362 | \$ 36,836 |
| Music Festivals | 76,204 | 72,140 | 58,725 | 55,783 |
| Management and General allocation | - | 68,279 | - | 62,233 |
| Total Festivals and Programs | <u>\$ 104,214</u> | <u>\$ 178,452</u> | <u>\$ 84,087</u> | <u>\$ 154,852</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, 2023
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2022)
(SEE INDEPENDENT AUDITORS' REPORT)

| | 2023 | | | 2022 |
|--------------------------------------|------------|------------|--|------------|
| | Actual | Budget | Variance - Favorable (Unfavorable) | Actual |
| REVENUE | | | | |
| Tournaments and Meets | | | | |
| Baseball | \$ 102,875 | \$ 114,814 | \$ (11,939) | \$ 145,199 |
| Basketball | 908,716 | 675,000 | 233,716 | 660,331 |
| Esports | 36,693 | 36,000 | 693 | 41,367 |
| Field Hockey | 16,676 | 14,200 | 2,476 | 13,210 |
| Football | 289,672 | 365,000 | (75,328) | 406,438 |
| Gymnastics - Girls | 11,285 | 10,000 | 1,285 | 9,962 |
| Ice Hockey | 84,292 | 75,000 | 9,292 | 113,650 |
| Lacrosse - Boys | 69,784 | 52,500 | 17,284 | 72,481 |
| Lacrosse - Girls | 38,005 | 24,500 | 13,505 | 33,418 |
| Soccer - Boys | 88,288 | 75,000 | 13,288 | 75,122 |
| Soccer - Girls | 84,053 | 80,000 | 4,053 | 99,018 |
| Softball | 64,952 | 52,000 | 12,952 | 57,062 |
| Spirit Competition | 206,037 | 159,500 | 46,537 | 136,676 |
| Swimming - Boys | 39,834 | 38,000 | 1,834 | 34,890 |
| Swimming - Girls | 55,986 | 53,000 | 2,986 | 55,470 |
| Track and Field - Boys and Girls | 223,785 | 190,000 | 33,785 | 177,375 |
| Unified Bowling | 1,690 | 5,000 | (3,310) | 1,270 |
| Volleyball - Boys | 19,667 | 15,000 | 4,667 | 17,856 |
| Volleyball - Girls | 203,280 | 190,000 | 13,280 | 161,521 |
| Wrestling - Boys and Girls | 573,723 | 415,000 | 158,723 | 476,040 |
| Other Tournaments and Courtesy Cards | 194,344 | 228,500 | (34,156) | 166,343 |
| Total Tournaments and Meets | 3,313,636 | 2,868,014 | 445,622 | 2,954,699 |
| Festivals and Programs | | | | |
| Speech Program | 28,010 | 16,000 | 12,010 | 25,362 |
| Music Festivals | 76,204 | 121,410 | (45,206) | 58,725 |
| Total Festival and Programs | 104,214 | 137,410 | (33,196) | 84,087 |
| Student Council Division | 85,800 | 111,250 | (25,450) | 8,753 |
| Middle School Division | 23,750 | 7,500 | 16,250 | 9,040 |
| Service and Late Fees | 367,920 | 352,750 | 15,170 | 336,627 |
| Participation Fees | 958,689 | 925,041 | 33,648 | 897,683 |
| Officials' Registration | 106,813 | 47,000 | 59,813 | 125,056 |
| Rulebook Sales | 53,537 | 30,000 | 23,537 | 28,681 |
| Interest | 17,297 | 10,000 | 7,297 | 11,156 |
| CHSAANow | 13,953 | 24,850 | (10,897) | 21,076 |
| Employee Retention Credit | 227,236 | - | 227,236 | 9,040 |
| Miscellaneous | 107,082 | 2,000 | 105,082 | 66,731 |
| Corporate Promotions | 802,992 | 594,250 | 208,742 | 599,474 |
| Coaching Certification | 74,320 | 75,000 | (680) | 60,126 |

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE
ACTUAL AND BUDGET (BUDGETARY BASIS) (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2022)
(SEE INDEPENDENT AUDITORS' REPORT)

| | 2023 | | | 2022 |
|---|-----------|-----------|--|-----------|
| | Actual | Budget | Variance - Favorable (Unfavorable) | Actual |
| REVENUE (CONTINUED) | | | | |
| Electronic Platforms | \$ - | \$ 50,000 | \$ (50,000) | \$ - |
| Partners | - | 18,500 | (18,500) | - |
| T-Shirt Sales | 157,705 | 115,000 | 42,705 | 146,196 |
| PPP Loan Forgiveness | - | - | - | 335,754 |
| Administrative Fees | 18,810 | - | 18,810 | 18,810 |
| Total Revenue* | 6,433,754 | 5,368,565 | 1,065,189 | 5,712,989 |
| <i>* Does not include \$150,000 in-kind revenue</i> | | | | |
| EXPENDITURES | | | | |
| Tournaments and Meets | | | | |
| Baseball | 81,898 | 76,736 | (5,162) | 51,884 |
| Basketball | 422,863 | 349,440 | (73,423) | 306,619 |
| Esports | 16,485 | 11,500 | (4,985) | 13,258 |
| Field Hockey | 5,768 | 5,296 | (472) | 4,416 |
| Football | 16,855 | 30,861 | 14,006 | 15,276 |
| Gymnastics | 20,476 | 19,606 | (870) | 18,957 |
| Ice Hockey | 54,047 | 64,607 | 10,560 | 91,068 |
| Lacrosse - Boys | 15,159 | 18,500 | 3,341 | 16,805 |
| Lacrosse - Girls | 13,204 | 11,500 | (1,704) | 10,568 |
| Soccer - Boys | 38,297 | 30,000 | (8,297) | 29,674 |
| Soccer - Girls | 37,951 | 35,000 | (2,951) | 33,508 |
| Softball | 36,262 | 33,500 | (2,762) | 25,234 |
| Spirit Competition | 101,787 | 105,500 | 3,713 | 113,661 |
| Swimming - Boys | 31,313 | 28,500 | (2,813) | 21,334 |
| Swimming - Girls | 47,353 | 34,500 | (12,853) | 32,088 |
| Track and Field - Boys and Girls | 148,722 | 102,645 | (46,077) | 130,795 |
| Unified Bowling | 2,545 | 2,000 | (545) | 1,098 |
| Volleyball - Boys | 11,352 | 12,500 | (74,654) | 10,798 |
| Volleyball - Girls | 87,154 | 141,153 | (352,469) | 139,759 |
| Wrestling - Boys and Girls | 493,622 | 390,999 | (102,623) | 438,228 |
| Expenses covered by in-kind | | | | |
| Other Tournaments and Courtesy | | | | |
| Cards | 130,526 | 108,200 | (22,326) | 145,508 |
| Total Tournaments and Meets* | 1,813,639 | 1,612,543 | (683,366) | 1,650,536 |
| <i>* Does not include \$150,000 in-kind expense or management and general allocations</i> | | | | |
| Festivals and Programs | | | | |
| Speech Program | 38,033 | 23,570 | (14,463) | 36,836 |
| Music Festivals | 72,140 | 131,241 | 59,101 | 55,783 |
| Total Festivals and Programs* | 110,173 | 154,811 | 44,638 | 92,619 |
| <i>* Does not include management and general allocations</i> | | | | |
| Student Council Division | 146,698 | 138,750 | (7,948) | 74,725 |

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE
ACTUAL AND BUDGET (BUDGETARY BASIS) (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2022)
(SEE INDEPENDENT AUDITORS' REPORT)

| | 2023 | | Variance - Favorable (Unfavorable) | 2022 |
|------------------------------------|------------------|------------------|--|------------------|
| | Actual | Budget | | Actual |
| EXPENDITURES (CONTINUED) | | | | |
| Management and General | | | | |
| Administrative Salaries | \$ 1,455,435 | \$ 1,462,267 | \$ 6,832 | \$ 1,311,790 |
| Part-Time Supplemental Salaries | 4,200 | 7,400 | 3,200 | 11,193 |
| Payroll Taxes and Expenses | 38,504 | 25,890 | (12,614) | 24,081 |
| Vacation and Sick Leave Payments | 13,352 | 5,000 | (8,352) | 120,490 |
| Employee Retirement and Insurance | 478,469 | 490,880 | 12,411 | 470,778 |
| Insurance | 142,346 | 169,000 | 26,654 | 130,401 |
| Building Maintenance and Utilities | 135,721 | 77,763 | (57,958) | 72,428 |
| Equipment Lease and Maintenance | 98,461 | 106,544 | 8,083 | 93,187 |
| Legislative Council | 64,799 | 70,000 | 5,201 | 33,558 |
| Board of Directors | 60,778 | 75,000 | 14,222 | 56,199 |
| National Meeting Expense | 52,815 | 55,000 | 2,185 | 53,590 |
| Other Committee Expense | 4,682 | 25,000 | 20,318 | 780 |
| Printing | 18,772 | 30,000 | 11,228 | 19,484 |
| Audit | 35,611 | 29,000 | (6,611) | 29,067 |
| Staff Travel and Car Expense | 99,391 | 109,400 | 10,009 | 99,803 |
| Dues and Professional Publications | 8,638 | 5,755 | (2,883) | 10,297 |
| Legal | 25,326 | 42,000 | 16,674 | 35,755 |
| Legislative Services | 28,800 | 28,800 | - | 28,800 |
| Miscellaneous | 21,796 | 48,738 | 26,942 | 13,128 |
| Office Supplies | 56,458 | 46,852 | (9,606) | 32,245 |
| Telephone and Postage | 54,292 | 65,840 | 11,548 | 67,085 |
| Rulebook Expenses | 73,001 | 44,500 | (28,501) | 47,393 |
| Officials | 187,887 | 70,376 | (117,511) | 117,682 |
| All School Summit | 43,530 | 30,000 | (13,530) | 10,568 |
| Software and Small Equipment | 15,677 | - | (15,677) | 14,109 |
| Media | 5,382 | - | (5,382) | 871 |
| Middle School Expenses | 650 | 2,000 | 1,350 | - |
| Foundation Games Reimbursement | 10,749 | - | (10,749) | - |
| Staff Development | 19,638 | - | (19,638) | - |
| Coaching Registration | - | - | - | 3,775 |
| Electronic Platforms | 68,598 | 45,295 | (23,303) | 88,057 |
| Total Management and General | <u>3,323,758</u> | <u>3,168,300</u> | <u>(155,458)</u> | <u>2,996,594</u> |
| Corporate Promotions | | | | |
| Corporate Promotions | 42,035 | 20,000 | (22,035) | 6,000 |
| Hall of Fame | 67,526 | 35,000 | (32,526) | 39,562 |
| Total Corporate Promotions | <u>109,561</u> | <u>55,000</u> | <u>(54,561)</u> | <u>45,562</u> |

COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE
ACTUAL AND BUDGET (BUDGETARY BASIS) (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL BUDGETARY BASIS TOTALS
FOR THE YEAR ENDED JUNE 30, 2022)
(SEE INDEPENDENT AUDITORS' REPORT)

| | 2023 | | | 2022 |
|---|---------------------|------------|--|------------|
| | Actual | Budget | Variance - Favorable (Unfavorable) | Actual |
| EXPENDITURES (CONTINUED) | | | | |
| Processing Fees | \$ - | \$ - | \$ - | \$ 95 |
| T-Shirt Expense | 23,941 | - | (23,941) | - |
| Equipment Purchases | 130,415 | - | (130,415) | - |
| Total | 154,356 | - | (154,356) | 95 |
| Total Expenditures* | 5,658,185 | 5,129,404 | (1,011,051) | 4,860,131 |
| <i>* Does not include \$150,000 in-kind expense</i> | | | | |
| EXCESS OF REVENUE OVER (UNDER) | | | | |
| EXPENDITURES - BUDGETARY BASIS | 775,569 | \$ 239,161 | \$ 536,408 | \$ 843,818 |
| Funds Available - Beginning of Year | 2,572,426 | | | |
| Less: Lease Liabilities (ASC 842) | (65,163) | | | |
| FUNDS AVAILABLE - END OF YEAR | \$ 3,282,832 | | | |
| Funds Available is Computed as Follows | | | | |
| Current Assets | \$ 3,497,070 | | | |
| Less: Other Current Liabilities | (214,238) | | | |
| FUNDS AVAILABLE - END OF YEAR | 3,282,832 | | | |
| Less: Funds Designated for Building Replacement | (250,000) | | | |
| Less: Funds Designated for Prior Year Refund | (14,573) | | | |
| NET FUNDS AVAILABLE - END OF YEAR | \$ 3,018,259 | | | |

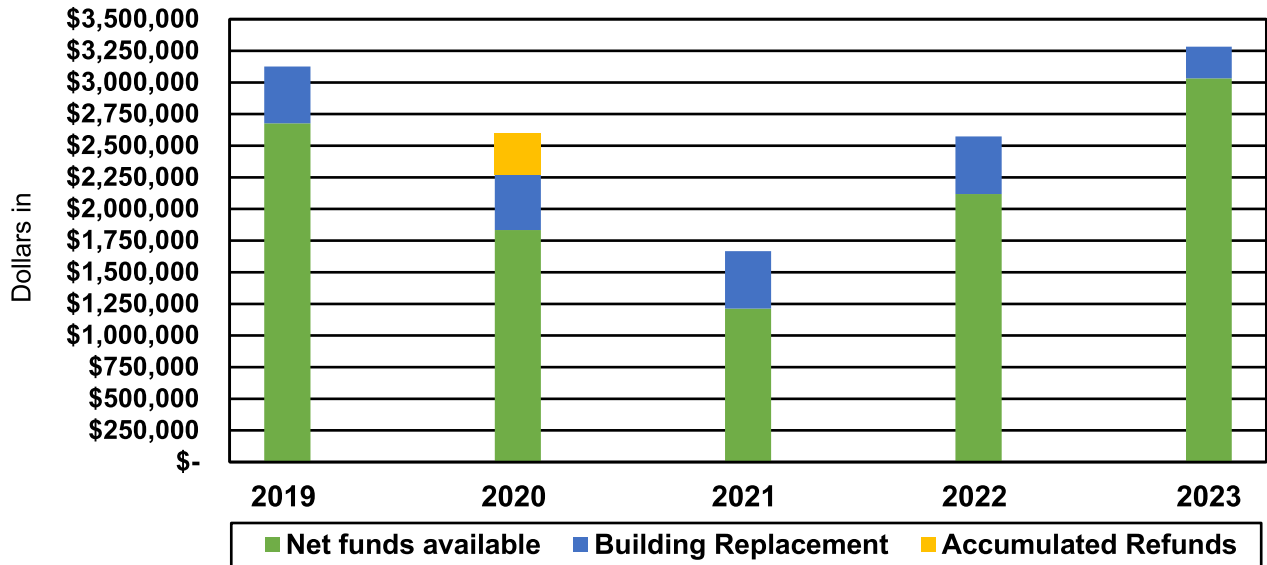
**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF
ACTIVITIES AND CHANGES IN NET ASSETS (UNAUDITED)
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

| | |
|---|--------------|
| Revenue - Budgetary Basis | \$ 6,433,754 |
| Total Revenue per Statement of Activities and Changes in Net Assets | 6,433,754 |
| Expenditures - Budgetary Basis | 5,658,185 |
| Depreciation | 44,688 |
| Equipment Purchases | (130,415) |
| Vacation and Sick Leave Accruals | 71,602 |
| Total Expenses per Statement of Activities and Changes in Net Assets | 5,644,060 |
| Change in Net Assets per Statement of Activities | \$ 789,694 |

**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
ANALYSIS OF FUNDS AVAILABLE
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-------------------|---------------------|-----------------------|---------------------|-------------------|
| Current Assets | \$ 3,239,469 | \$ 3,046,057 | \$ 4,225,324 | \$ 2,753,358 | \$ 3,497,070 |
| Current Liabilities | (115,111) | (447,089) | (2,558,949) | (180,932) | (214,238) |
| Funds Available | <u>3,124,358</u> | <u>2,598,968</u> | <u>1,666,375</u> | <u>2,572,426</u> | <u>3,282,832</u> |
| Less: Funds Designated for Building Replacement | 448,065 | 442,612 | 454,370 | 454,370 | 250,000 |
| Less: Funds Designated for Prior Year Refund | - | 324,043 | - | - | - |
| Net Funds Available | <u>2,676,293</u> | <u>1,832,313</u> | <u>1,212,005</u> | <u>2,118,056</u> | <u>3,032,832</u> |
| Next Year's Budgeted Expenditures | 4,704,500 | 4,919,200 | 4,581,776 | 5,174,549 | 5,174,549 |
| Less: Prior Year Refund | - | - | - | - | - |
| Net Budgeted Expenditures | <u>4,704,500</u> | <u>4,919,200</u> | <u>4,581,776</u> | <u>5,174,549</u> | <u>5,174,549</u> |
| 50% of Net Budgeted Expenditures | 2,352,250 | 2,459,600 | 2,290,888 | 2,587,275 | 2,587,275 |
| Less Funds Designated for 100% Travel Reimbursement | - | - | - | - | - |
| Net Refund Due | <u>\$ 324,043</u> | <u>\$ (627,287)</u> | <u>\$ (1,078,883)</u> | <u>\$ (469,219)</u> | <u>\$ 445,557</u> |
| | (1) | | | | (2) |

- (1) The Board determined that the refund is to be used to offset expenses that would normally be paid by the schools.
(2) The membership refund policy was voted to be placed on hold at the January 2023 Legislative Council meeting until CHSAA builds back up its reserve funds.

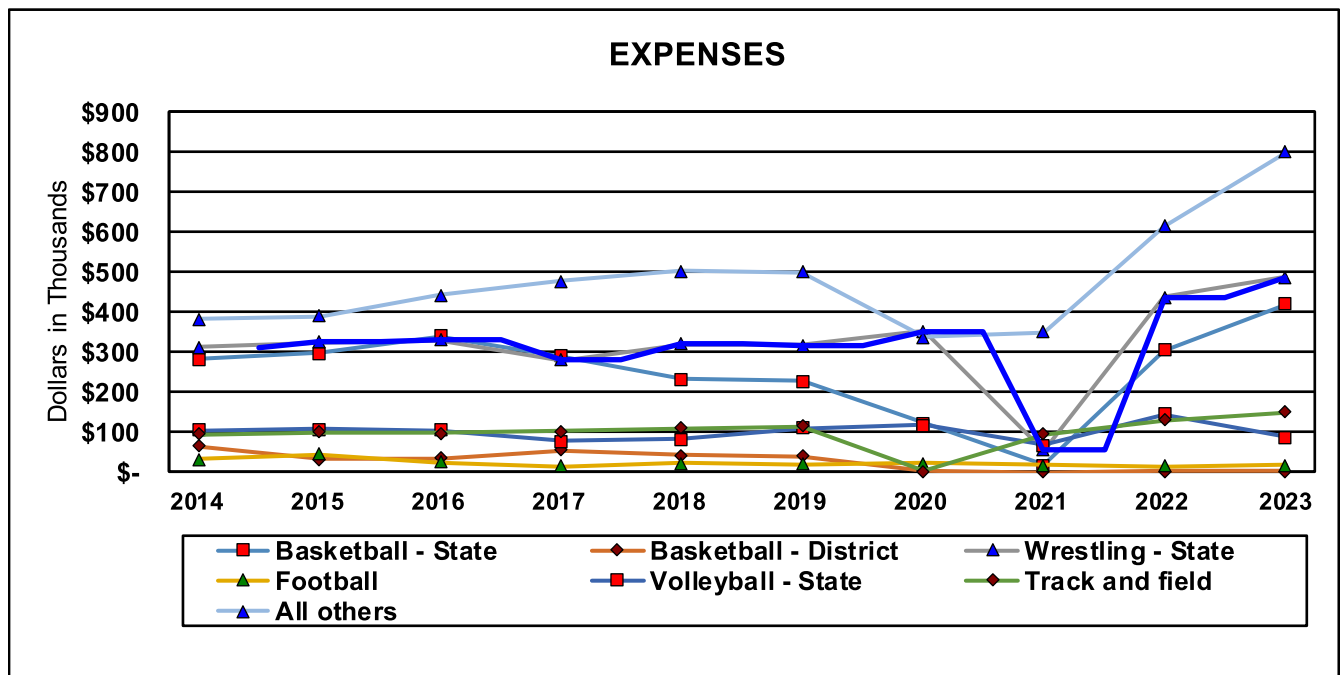
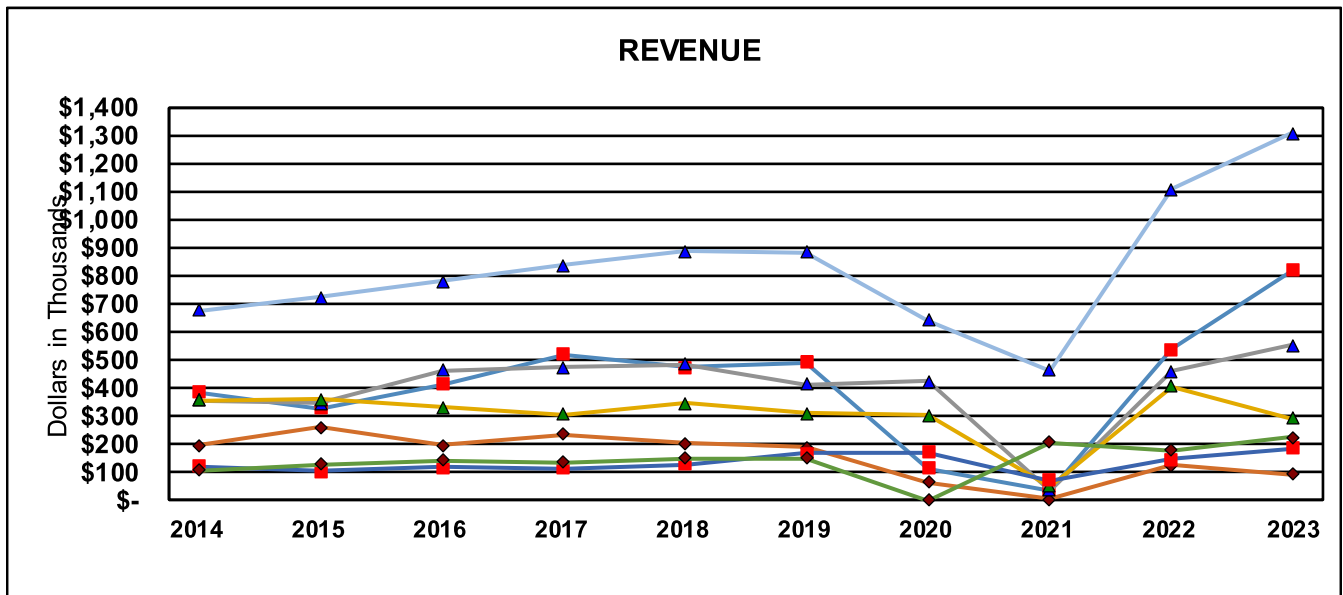


**COLORADO HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULES OF TOURNAMENTS AND MEETS REVENUE AND EXPENSES
TEN YEAR COMPARISON
(SEE INDEPENDENT AUDITORS' REPORT)**

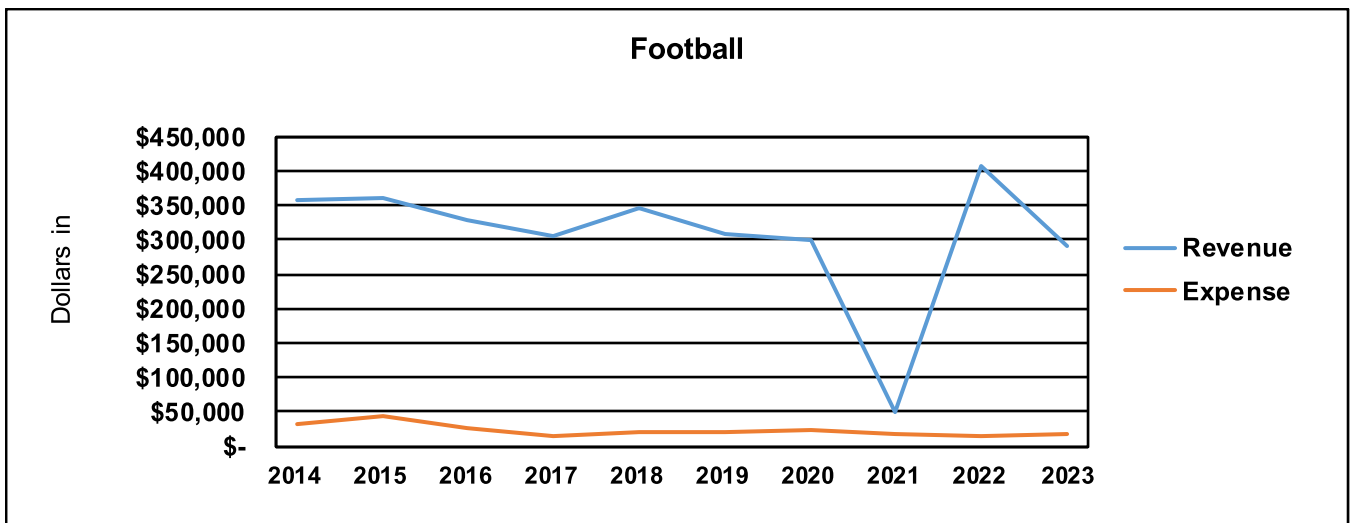
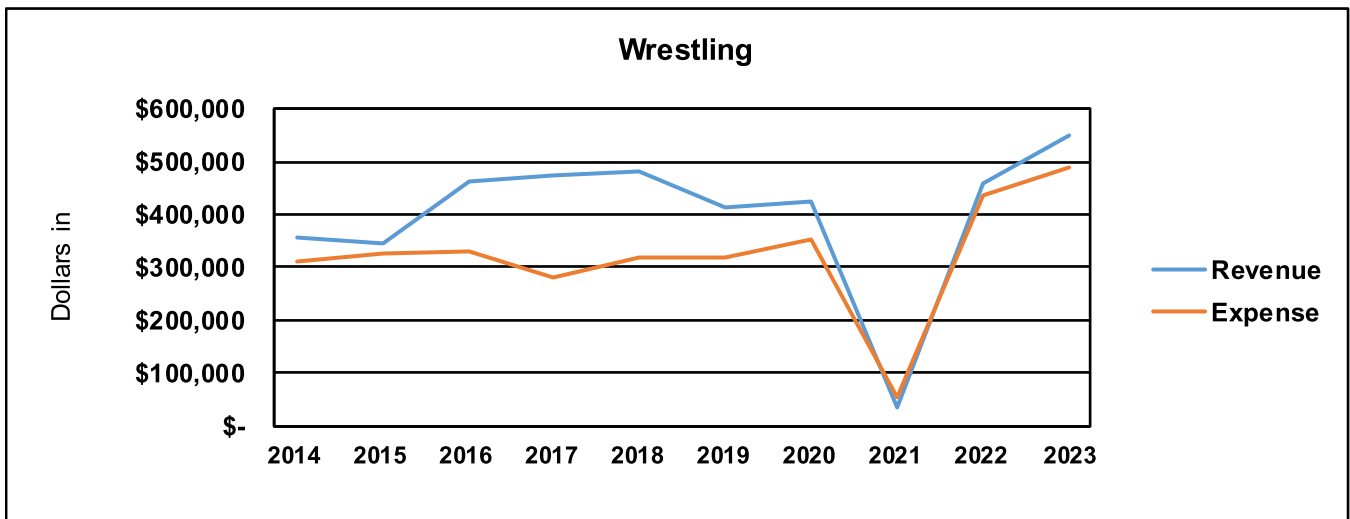
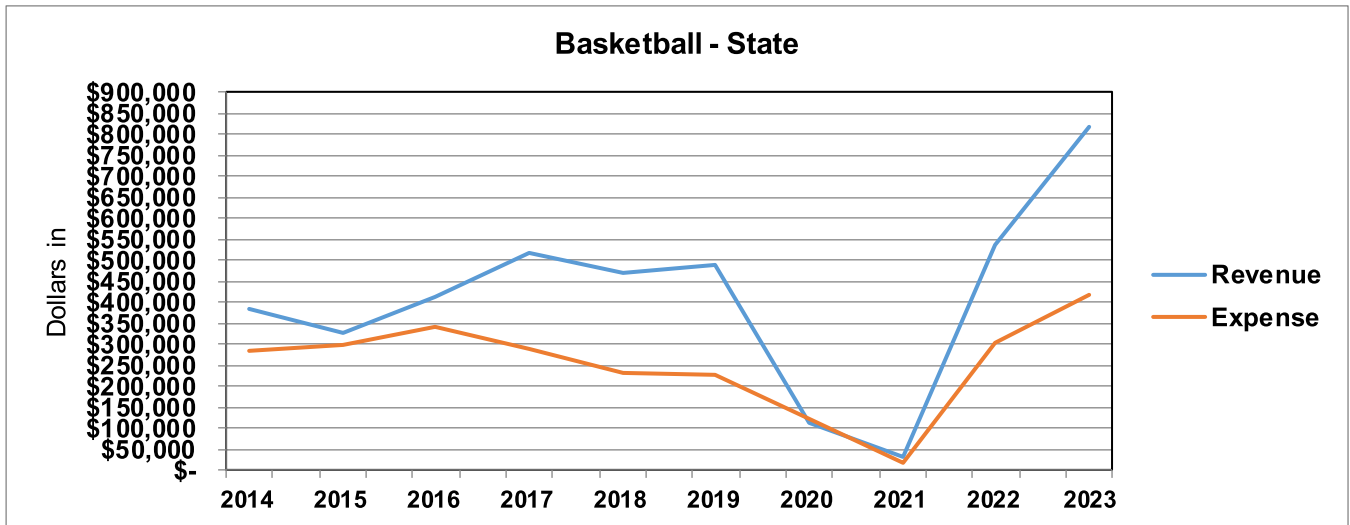
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| REVENUE | | | | | | | | | | |
| Basketball - State | \$ 382,033 | \$ 328,298 | \$ 410,753 | \$ 517,986 | \$ 471,566 | \$ 490,730 | \$ 112,831 | \$ 32,495 | \$ 537,661 | \$ 817,423 |
| Basketball - District | 194,765 | 260,576 | 194,278 | 235,640 | 201,539 | 187,684 | 62,054 | 1,300 | 122,670 | 91,293 |
| Wrestling - State | 356,522 | 343,938 | 460,576 | 472,154 | 481,780 | 413,698 | 422,568 | 34,360 | 457,209 | 550,662 |
| Football | 356,931 | 359,764 | 329,015 | 304,521 | 345,639 | 308,234 | 301,136 | 50,105 | 406,438 | 289,672 |
| Volleyball - State | 118,696 | 101,836 | 116,320 | 113,156 | 127,013 | 167,949 | 168,790 | 68,590 | 145,286 | 185,596 |
| Track and Field | 107,148 | 126,824 | 139,966 | 133,370 | 147,366 | 148,884 | - | 205,238 | 177,375 | 223,785 |
| All Others | 676,615 | 722,354 | 780,324 | 836,331 | 885,361 | 884,049 | 640,856 | 461,228 | 1,108,060 | 1,305,205 |
| Total Revenue | <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> | <u>\$ 853,316</u> | <u>\$ 2,954,699</u> | <u>\$ 3,463,636</u> |

| | | | | | | | | | | |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| EXPENSES | | | | | | | | | | |
| Basketball - State | \$ 281,828 | \$ 297,172 | \$ 339,435 | \$ 289,028 | \$ 231,584 | \$ 226,341 | \$ 121,203 | \$ 18,490 | \$ 304,317 | \$ 419,294 |
| Basketball - District | 64,797 | 32,707 | 34,830 | 54,789 | 41,514 | 39,496 | 4,248 | 202 | 2,302 | 3,569 |
| Wrestling - State | 312,602 | 325,172 | 330,128 | 281,102 | 318,994 | 318,686 | 351,409 | 55,942 | 436,962 | 488,813 |
| Football | 33,055 | 43,872 | 25,866 | 14,474 | 21,791 | 20,047 | 22,069 | 17,423 | 15,276 | 16,855 |
| Volleyball - State | 106,150 | 106,652 | 104,679 | 77,400 | 82,959 | 110,426 | 118,495 | 67,377 | 144,324 | 86,968 |
| Track and Field | 94,664 | 100,647 | 97,653 | 103,421 | 110,182 | 114,911 | 2,096 | 95,257 | 130,795 | 148,722 |
| All Others | 381,728 | 388,924 | 442,956 | 478,039 | 502,203 | 499,052 | 337,469 | 349,572 | 616,560 | 799,418 |
| Total Expenses | <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> | <u>\$ 604,263</u> | <u>\$ 1,650,536</u> | <u>\$ 1,963,639</u> |

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



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





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