

**GEORGIA HIGH SCHOOL ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

## **OFFICERS**

President  
Vice President  
Executive Director  
Assistant Executive Director

Dr. Glenn White  
Lisa Moore Williams  
Dr. James R.Hines,Jr.  
Jay Russell

## **BOARD OF TRUSTEES**

Don Corr  
Jesse Crews  
Jim Finch  
Joe Lancaster  
Gary Long  
Tommy Stringer  
Wes Taylor

**Established  
1904**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Georgia High School Association

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Georgia High School Association (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2017 and 2016, and the related statements of support, revenues, expenses and other changes in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis 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 the modified cash basis of accounting, as described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditor's 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 combined financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net asset of Georgia High School Association as of June 30, 2017 and 2016, and its support, revenue, and expenses, and its cash flows for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

### **Basis of Accounting**

We draw attention to Note A of the financial statements which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Jackson & Brown, P.C.  
Thomaston, Georgia  
September 15, 2017

**GEORGIA HIGH SCHOOL ASSOCIATION**  
**STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS**  
**JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,037,211	\$ 964,972
Short - term investments	115,605	149,728
Prepaid expenses	<u>4,750</u>	<u>4,750</u>
<b>TOTAL CURRENT ASSETS</b>	<b>1,157,566</b>	1,119,450
Long - term investments	4,544,409	3,933,745
Property and equipment (net of depreciation)	<u>323,205</u>	<u>339,569</u>
<b>TOTAL ASSETS</b>	<u><b>6,025,180</b></u>	<u>5,392,764</u>
<b>LIABILITIES</b>		
Current Liabilities – payroll taxes	\$ <u>5,499</u>	\$ <u>3,118</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>5,499</u>	<u>3,118</u>
<b>TOTAL LIABILITIES</b>	<b>5,499</b>	3,118
<b>COMMITMENTS AND CONTINGENCIES</b>	--	--
<b>NET ASSETS</b>		
Unrestricted	6,019,680	5,389,646
Temporarily restricted	--	--
Permanently restricted	<u>--</u>	<u>--</u>
<b>TOTAL NET ASSETS</b>	<u><b>6,019,680</b></u>	<u>5,389,646</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>6,025,180</b></u>	<u>5,392,764</u>

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION  
STATEMENTS OF SUPPORT, REVENUES, EXPENSES  
AND OTHER CHANGES IN NET ASSETS – MODIFIED CASH BASIS  
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>UNRESTRICTED REVENUES</b>		
<b>Invitational &amp; regional tournaments</b>		
One-Act Plays	\$ 20	\$ 52
Tennis	45	29
Swimming	2,313	2,174
Baseball	3,481	2,944
Basketball	63,174	60,068
Cheerleading	22,361	22,681
Cross Country	4,444	3,946
Lacrosse	690	584
Soccer	1,850	1,204
Softball	10,349	11,535
Track	13,916	10,785
Volleyball	4,784	5,042
Wrestling	<u>11,908</u>	<u>13,361</u>
	<b>139,335</b>	<b>134,405</b>
<b>State tournaments &amp; playoffs</b>		
Baseball	215,768	73,193
Basketball	618,644	647,904
Cheerleading	80,530	75,210
Cross Country	6,191	11,204
Football	1,686,086	1,577,487
Gymnastics	2,091	2,418
Lacrosse	29,584	15,245
Soccer	152,061	120,853
Soccer officials	43,608	140,700
Softball	99,877	82,185
Swimming	5,646	5,894
Track	329	920
Volleyball	32,530	27,812
Wrestling	57,418	47,079
Weight Appeals	<u>13,325</u>	<u>12,725</u>
	<b>3,043,688</b>	<b>2,840,829</b>

See the accompanying notes and auditor's report

**GEORGIA HIGH SCHOOL ASSOCIATION  
STATEMENTS OF SUPPORT, REVENUES, EXPENSES  
AND OTHER CHANGES IN NET ASSETS – MODIFIED CASH BASIS  
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>Other revenues</b>		
Dues from member schools	108,699	103,560
Corporate sponsorships	682,803	654,010
Rule books and publications	1,025	37,460
Vendor & Licensing Royalties	106,397	96,755
Fines	251,983	256,055
Officials' registration & insignia	309,819	285,900
Community coach registration	480,220	517,403
Trophies and awards	10,670	9,667
Media Partnerships	80,000	90,000
Miscellaneous	594	96
Camp fees	67,426	69,180
	<u>2,099,636</u>	<u>2,120,086</u>
 <b>TOTAL UNRESTRICTED REVENUES</b>	 <b>5,282,660</b>	 <b>5,095,320</b>
 <b>EXPENSES</b>	 <b><u>5,265,561</u></b>	 <b><u>5,141,102</u></b>
 <b>INCREASE (DECREASE) IN NET ASSETS – OPERATING</b>	 <b>17,099</b>	 <b>(45,782)</b>
 <b>NON-OPERATING ITEMS</b>		
Investment income	611,130	( 7,040)
Write-off of stale checks	1,805	4,492
	<u>612,935</u>	<u>( 2,548)</u>
 <b>TOTAL NON-OPERATING ITEMS</b>	 <b><u>612,935</u></b>	 <b><u>( 2,548)</u></b>
 <b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	 <b><u>630,034</u></b>	 <b><u>(48,330)</u></b>
 <b>NET ASSETS AT BEGINNING OF YEAR</b>	 <b><u>5,389,646</u></b>	 <b><u>5,437,976</u></b>
 <b>NET ASSETS AT END OF YEAR</b>	 <b><u>\$ 6,019,680</u></b>	 <b><u>\$ 5,389,646</u></b>

See the accompanying notes and auditor's report.



**GEORGIA HIGH SCHOOL ASSOCIATION  
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS  
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>SALARIES</b>		
Executive Director	\$ 131,731	\$ 125,000
Assistant Executive Director	95,067	88,880
Associate Directors	457,105	367,099
Administrative Associates	255,796	241,515
Executive Director – Retired	<u>15,144</u>	<u>-0-</u>
	<b>954,843</b>	<b>822,494</b>
<b>TRAVEL EXPENSES AND ALLOWANCES</b>		
National Meetings	30,443	29,994
State Executive Committee	91,403	77,074
Executive Director	822	3,753
Administrative Staff	4,364	5,441
Hardship Committee	10,750	8,625
Reclassifications and Miscellaneous	<u>10,349</u>	<u>16,601</u>
	<b>148,131</b>	<b>141,488</b>
<b>TOURNAMENTS</b>		
Baseball	70,647	33,503
Payout to Schools	46,454	--
Basketball	73,501	136,582
Payout to Schools	210,548	244,554
Cheerleading	65,114	54,688
Payout to Schools	10,123	14,379
Cross Country	9,372	9,086
Football	146,088	126,509
Payout to Schools	965,747	971,837
Golf	8,744	14,005
Gymnastics	3,815	4,097
Lacrosse	9,387	6,378
Payout to School	3,305	--
Riflery	3,263	3,694
Soccer	87,900	193,148
Payout to Schools	33,098	43,042

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION  
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS  
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Softball	39,286	31,185
Payout to Schools	36,866	27,079
Swimming	18,588	14,032
Tennis	2,719	3,360
Track	31,750	24,037
Volleyball	11,165	11,587
Payout to Schools	7,296	7,145
Wrestling	<u>94,134</u>	<u>100,444</u>
<b>TOTAL TOURNAMENTS</b>	<b>1,988,910</b>	<b>2,074,371</b>
<b>BOOKS AND PUBLICATIONS</b>		
Rule books	<b>91,013</b>	119,302
<b>CLINICS AND EXAMS</b>		
Baseball	4,986	10,188
Basketball	7,465	8,276
Cheerleading	2,018	158
Football	6,930	2,024
Gymnastics	350	260
Riflery	--	119
Soccer	1,565	1,683
Softball	5,346	7,741
Swimming/Diving	100	184
Track	529	851
Volleyball	100	--
Wrestling	341	1,885
Lacrosse	<u>50</u>	<u>--</u>
	<b>29,780</b>	<b>33,369</b>

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION  
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS  
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>PRINTING AND SUPPLIES</b>		
Office supplies	21,236	17,355
Constitution & by-laws	--	7,012
Directories	--	16,288
	<u>21,236</u>	<u>40,655</u>
<b>BUILDING AND EQUIPMENT MAINTENANCE AND EXPENSE</b>		
Outside services and supplies	36,254	47,264
Utilities	13,182	14,053
Repairs	6,306	5,192
	<u>55,742</u>	<u>66,509</u>
<b>OTHER EXPENSES</b>		
Insurance	903,766	843,502
Outside services	175,855	163,819
Postage and delivery	38,886	33,276
Telephone & communications	16,573	16,753
Professional fees	119,340	89,918
Marketing expense	12,769	47,256
State meets (non-athletic)	37,675	32,792
Flowers and honoraria	2,750	2,296
Retirement expense	107,770	92,571
Community coaching program	167,624	174,187
AAASP	76,000	75,000
Sports medicine	126	2,319
NASO summit	3,000	3,000
Depreciation	25,581	23,844
Dues and subscriptions	2,731	2,621
Trophies and awards	84,451	70,703
Officials' evaluations	15,936	20,246
Officials' supplies	15,657	42,003
Officials' camps	36,892	39,383
Payroll taxes	72,536	63,036
City and county taxes	1,051	1,164
Licensing payouts	58,937	3,225
	<u>1,975,906</u>	<u>1,842,914</u>
	<u>\$ 5,265,561</u>	<u>\$ 5,141,102</u>

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION  
STATEMENTS OF CASH FLOWS – MODIFIED CASH BASIS  
YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in net assets	\$ 630,034	\$ (48,330)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	25,581	23,844
Net (gain) loss on investments	(611,130)	7,040
Increase in payables	<u>2,381</u>	<u>98</u>
 <b>NET CASH USED PROVIDED (USED) BY OPERATING ACTIVITIES</b>	 <b>46,866</b>	 <b>(17,348)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash provided by investments	34,589	559
Payments for property and equipment	<u>(9,216)</u>	<u>(13,094)</u>
 <b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	 <b>25,373</b>	 <b>( 12,535)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	 <b>--</b>	 <b>--</b>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	 <b>72,239</b>	 <b>(29,883)</b>
 <b>BEGINNING CASH AND CASH EQUIVALENTS</b>	 <b><u>964,972</u></b>	 <b><u>994,855</u></b>
 <b>ENDING CASH AND CASH EQUIVALENTS</b>	 <b><u>\$ 1,037,211</u></b>	 <b><u>\$ 964,972</u></b>
 <b>SUPPLEMENTAL DISCLOSURES OF CASH PAID DURING THE YEAR FOR:</b>		
Interest	\$ --	\$ --
Foreign taxes	305	\$ 446

See the accompanying notes and auditor's report.

# GEORGIA HIGH SCHOOL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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#### Nature of Activities

The Georgia High School Association (the Association) promotes education in Georgia high schools from a mental, physical, and moral viewpoint through the study of public speaking, the standardization and encouragement of athletics, and the appreciation of music, homemaking, and other fine arts through regional and state contests. The Association's support comes primarily from member dues, corporate sponsorships, and event admission receipts.

#### Basis of Accounting

The books of the Association are maintained on the "modified cash basis" of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, certain revenues and related assets are recognized when received rather than when earned and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Modifications to the cash basis of accounting result from management's decision to record property and equipment and related depreciation, prepaid expenses and current liabilities in the accompanying statement of assets, liabilities and net assets-modified cash basis.

#### Basis of Presentation

The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Catastrophic insurance premiums collected from member schools in fiscal year 2017 were \$ 200,725 and were \$ 180,080 for fiscal year 2016. These amounts have been subtracted from insurance expense for statement presentation.

#### Property and Equipment

The Association capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed in service.

# GEORGIA HIGH SCHOOL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

#### Property and Equipment (Con't)

The Association reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using both straight line and modified accelerated cost recovery system methods over estimated useful lives ranging from five to forty-five years.

#### Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### Contributed Services

No amounts have been reflected in the financial statements for donated services. The Association generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association at the members' facilities, but these services do not meet the criteria for recognition as contributed services. The Association receives more than 3,000 volunteer hours per year.

#### Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

# GEORGIA HIGH SCHOOL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

#### Investments (Con't)

Short-term investments consist of certificates of deposit with original maturities of twelve months or less. Long-term investments consist of money market funds and debt and equity securities with original maturities greater than twelve months.

#### Income Taxes

The Association is a not – for – profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization that is not a private foundation..

#### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid investments available for current use with a maturity of three months or less when purchased to be cash equivalents.

#### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

### NOTE B – RESTRICTIONS OF NET ASSETS

There are no restrictions on the net assets of the Association.

### NOTE C – CONCENTRATION OF CASH DEPOSITS

The Association's cash balance includes deposits held at SouthCrest Bank, NA which exceed the federally insured limit of \$250,000. SouthCrest Bank, NA has pledged municipal securities with a par value of \$20,000,000 to cover the excess deposit amount over the federally insured limit of \$250,000. No losses are anticipated due to this condition.

As of August 4, 2017 The Association has established an Automated Clearing House (ACH) debit and credit link between its Raymond James broker account and its Southcrest Bank accounts. This arrangement allows The Association to secure deposits over \$250,000 under Securities Investor Protection Corporation (SIPC).

# GEORGIA HIGH SCHOOL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE D – INVESTMENTS

The fair values of short-term investments totaled \$115,605 and \$149,728 at June 30, 2017 and 2016, respectively. The fair values of long-term investments totaled \$4,544,409 and \$3,933,745 at June 30, 2017 and 2016, respectively.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Association's financial condition.

The following schedule summarizes investment returns and their classification in the statement of activities for the years ended:

	June 30, 2017		June 30, 2016	
	Unrestricted	Total	Unrestricted	Total
Interest & dividend income	\$ 79,174	\$ 79,174	\$ 81,401	\$ 81,401
Net realized & unrealized gains (Losses)	531,956	531,956	(88,441)	(88,441)
Total investment income	\$ 611,130	\$ 611,130	\$ ( 7,040)	\$ ( 7,040)

### NOTE E – FAIR VALUE MEASUREMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis are as follows:

Description	June 30, 2017		June 30, 2016	
	Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Short-term Investments				
Certificates of Deposit	\$ 115,605	\$ 115,605	\$ 149,728	\$ 149,728
Total short-term Investments	\$ 115,605	\$ 115,605	\$ 149,728	\$ 149,728
Long-term Investments				
Money Market Funds	\$ 206,935	\$ 206,935	\$ 188,102	\$ 188,102
Common Stocks	3,754,348	3,754,348	3,120,587	3,120,587
Government Securities	583,126	583,126	625,056	625,056
Total long-term Investments	\$ 4,544,409	\$ 4,544,409	\$ 3,933,745	\$ 3,933,745



## GEORGIA HIGH SCHOOL ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE E – FAIR VALUE MEASUREMENTS (Con't)

The Association recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2017 and 2016.

Short-term investments and long-term investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

#### NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2017</u>	<u>2016</u>
Office furniture, fixtures, and equipment	\$ 563,868	\$ 554,651
Office building & improvements	603,183	603,183
Land – office building (non-depreciable)	6,210	6,210
Land – other (non-depreciable)	11,774	11,774
	<u>1,185,035</u>	<u>1,175,818</u>
Accumulated depreciation	<u>(861,830)</u>	<u>(836,249)</u>
	<u>\$ 323,205</u>	<u>\$ 339,569</u>

#### NOTE G – RETIREMENT PLANS

Contributions are made to various tax sheltered annuities (TSA's) established in the names of the individuals.

Retirement expense recognized by the Association for fiscal years 2017 and 2016 was as follows:

	<u>2017</u>	<u>2016</u>
Tax sheltered annuities	\$ <u>107,770</u>	\$ <u>92,571</u>
Total Retirement Expense	<u>\$ 107,770</u>	<u>\$ 92,571</u>

## GEORGIA HIGH SCHOOL ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE H – CONTINGENCIES

As of September 15, 2017 (the date of this report), The Georgia High School Association was not involved in any threatened or pending litigation with the exception of the following:

On November 17, 2016, Charles Dawson Ellis filed suit against the Georgia High School Association and others in Civil Action File No. 16109198 in the Superior Court of Cobb County, Georgia. The suit alleges that the Plaintiff participated in a wrestling tournament sanctioned by the GHSA and during the tournament contracted a skin disease as a result of the failure of the Defendants to properly supervise the event and otherwise prevent injury to participants. The GHSA filed its defenses on numerous grounds including, among other defenses, that the tournament was not sanctioned by the GHSA and that the suit had not been filed within the applicable statute of limitations.

The GHSA subsequently filed a motion to dismiss the complaint as to the GHSA and thereafter the Plaintiff dismissed his action without prejudice on August 14, 2017. It is anticipated that Plaintiff may refile the complaint within the six month period allowed by law, however, he has not yet done so.

In the event the Plaintiff does refile the complaint, the GHSA will defend the same vigorously and no loss is anticipated which would exceed the liability insurance coverage of the GHSA.

Counsel is not aware of any unasserted claims or assessments against the GHSA other than those associated with student eligibility to participate in extracurricular activities and member disciplinary appeals which seek no monetary damages. There is no currently pending litigations.

#### NOTE I – STATEMENT OF CASH FLOWS

The Association has non-cash investing transactions consisting of reinvested interest, dividends and capital gains in the amount of \$610,655 in fiscal year 2017 and \$0 in fiscal year 2016.

#### NOTE J – UNCERTAIN TAX POSITIONS

The Association has determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Association's Form 990, *Return of Organization Exempt from Income Tax*, for the fiscal years ending in 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

**GEORGIA HIGH SCHOOL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE K – SUBSEQUENT EVENTS**

The Association has evaluated subsequent events for potential recognition or disclosure through September 15, 2017 the date which the financial statements were available to be issued.