

**GEORGIA HIGH SCHOOL ASSOCIATION**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

## **OFFICERS**

President  
Vice President  
Executive Director  
Assistant Executive Director

Dr. Jim Finch  
Dr. Curt Miller  
Dr. Tim Scott  
Jay Russell

## **BOARD OF TRUSTEES**

Bobby Brewington

Eli Connell

Jose Fernandez

Scarlett Grantham

Michelle Masters

Brian Montgomery

Regina Montgomery

Kevin Petroski

Steven Simpson

Michael Thompson

Steve Waters

**Established  
1904**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Georgia High School Association

### **Opinion**

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, 2025 and 2024, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Georgia High School Association as of June 30, 2025 and 2024, 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.

### **Responsibilities of Management 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.

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 the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibility for the Audit of the Financial Statements**

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 (GAAS). 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 financial statements.

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

Jackson & Brown, P.C.  
Thomaston, Georgia  
October 3, 2025

**GEORGIA HIGH SCHOOL ASSOCIATION**  
**STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS**  
**JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 5,587,865	\$ 4,911,551
<b>TOTAL CURRENT ASSETS</b>	<b>5,587,865</b>	<b>4,911,551</b>
Long - term investments	<b>7,000,279</b>	6,224,589
Property and equipment (net of depreciation)	<u>216,800</u>	<u>214,648</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 12,804,944</u></b>	<b><u>\$ 11,350,788</u></b>
<b>LIABILITIES</b>		
Current Liabilities – Payroll Withholdings	<u>\$ 359</u>	<u>\$ 5,344</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>359</b>	<b>5,344</b>
<b>TOTAL LIABILITIES</b>	<u><b>359</b></u>	<u><b>5,344</b></u>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>--</b>	<b>--</b>
<b>NET ASSETS</b>		
Without donor restrictions	<b>12,804,585</b>	11,345,444
With donor restrictions	<u><b>--</b></u>	<u><b>--</b></u>
<b>TOTAL NET ASSETS</b>	<b><u>12,804,585</u></b>	<b><u>11,345,444</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 12,804,944</u></b>	<b><u>\$ 11,350,788</u></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, 2025 AND 2024**

<b>REVENUES</b>	<b><u>2025</u></b>	<b><u>2024</u></b>
<b>Invitational &amp; regional tournaments</b>		
Baseball	\$ 3,277	\$ 5,330
Basketball	84,590	87,544
Cheerleading	30,635	28,525
Cheerleading Game Day	1,202	1,450
Competitive Dance	3,809	4,060
Cross Country	7,637	8,182
Flag Football	868	1,268
Gymnastics	1,255	1,357
Golf	--	169
Lacrosse	790	905
Literary	--	--
Soccer	2,285	735
Softball	2,890	3,763
Swimming	5,043	4,295
Tennis	60	60
Track	26,934	23,028
Volleyball	11,717	11,097
Wrestling	25,236	23,013
Region Trackwrestling	<u>525</u>	<u>4,575</u>
	<b>208,753</b>	<b>209,356</b>
<b>State tournaments &amp; playoffs</b>		
Baseball	299,727	228,502
Basketball	915,700	732,660
Basketball Officials	--	--
Basketball NCAA Recruiting Event	23,080	--
Cheerleading	152,650	156,920
Cheerleading Game Day	88,208	59,474
Competitive Dance	50,120	44,162
Cross Country	19,477	20,147
Esports	23,500	22,500
Flag Football	74,474	37,614
Football	1,856,893	1,689,187
Football Officials	414,370	364,000
Gymnastics	4,508	540
Lacrosse	130,815	111,432
Lacrosse Officials	495	--
Soccer	292,735	286,243
Soccer Officials	46,180	53,520
Softball	186,169	192,101
Softball Slow-Pitch	7,950	7,090
Swimming	12,792	10,413

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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>State tournaments &amp; playoffs Con't.</b>		
Tennis	2,156	12,860
Track	20,005	23,866
Volleyball	111,439	63,855
Wrestling	355,116	307,982
Weight appeals	<u>21,113</u>	<u>13,950</u>
	5,109,672	4,439,018
<b>Other revenues</b>		
Dues from member schools	--	--
Corporate sponsorships	1,324,016	1,279,463
Rule books and publications	--	15
Vendor & licensing royalties	90,481	100,234
Fines	367,835	354,736
Officials' registration & insignia	270,280	255,153
Community coach registration	580,307	660,187
Trophies and awards	13,987	15,682
Media partnerships	348,033	198,687
Miscellaneous	210	150
Camp fees	<u>88,977</u>	<u>74,054</u>
	3,084,126	2,938,361
<b>TOTAL UNRESTRICTED REVENUES</b>	8,402,551	7,586,735
<b>EXPENSES</b>	<u>8,033,500</u>	<u>6,748,317</u>
<b>INCREASE (DECREASE) IN NET ASSETS – OPERATING</b>	369,051	838,418
<b>NON-OPERATING ITEMS</b>		
Investment (loss) income	1,065,647	765,663
Write-off of stale checks	<u>24,443</u>	<u>16,864</u>
<b>TOTAL NON-OPERATING ITEMS</b>	1,090,090	782,527
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>1,459,141</u>	<u>1,620,945</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>11,345,444</u>	<u>9,724,499</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 12,804,585</u>	<u>\$ 11,345,444</u>

See the accompanying notes and auditor's report.



**GEORGIA HIGH SCHOOL ASSOCIATION  
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS  
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>SALARIES</b>		
Executive director	\$ 198,866	\$ 191,000
Assistant executive director	87,535	60,915
Associate directors	551,298	560,757
Administrative associates	<u>290,830</u>	<u>274,218</u>
	1,128,529	1,086,890
 <b>TRAVEL EXPENSES AND ALLOWANCES</b>		
National meetings	29,484	50,568
State meetings	9,274	8,129
State executive committee	50,641	59,420
Executive director	2,867	2,489
Administrative staff	1,903	910
Hardship committee	7,678	7,931
Youth leadership program	20,839	26,970
Reclassifications and miscellaneous	<u>18,226</u>	<u>24,793</u>
	140,912	181,210
 <b>TOURNAMENTS</b>		
Baseball	94,839	105,194
Payout to schools	90,388	38,367
Basketball	324,685	271,474
Payout to schools	254,017	188,546
Bass Fishing	5,945	3,364
Cheerleading	107,992	101,426
Payout to schools	27,288	33,975
Cheerleading game day	35,649	17,619
Competitive dance	32,468	43,833
Cross country	7,000	6,457
Flag football	12,138	8,806
Payout to schools	4,000	3,000
Football	1,352,465	1,154,795
Payout to schools	473,963	480,492
Golf	10,868	11,384
Gymnastics	8,654	8,665
Lacrosse	26,563	20,126
Payout to schools	60,553	51,669
Riflery	5,395	4,592
Soccer	108,770	105,168
Payout to schools	124,526	135,027

Continued

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION  
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS  
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>TOURNAMENTS CON'T</b>		
Softball (fast pitch)	70,560	63,646
Payout to schools	68,796	56,085
Softball (slow pitch)	10,445	14,611
Swimming	12,371	15,198
Tennis	1,335	6,079
Track	24,628	24,785
Volleyball	49,498	48,184
Payout to schools	28,370	19,585
Wrestling	<u>347,794</u>	<u>295,926</u>
<b>TOTAL TOURNAMENTS</b>	<b>3,781,963</b>	<b>3,338,078</b>
<b>BOOKS AND PUBLICATIONS</b>		
Rule books	81,677	92,379
<b>CLINICS AND EXAMS</b>		
Baseball	2,218	2,696
Basketball	3,019	3,884
Cheerleading	249	116
Cross country	143	110
Competitive dance	1,431	50
Flag Football	--	350
Football	5,144	4,805
Golf	90	34
Gymnastics	--	50
Soccer	--	--
Softball	4,268	4,349
Swimming/diving	90	90
Track	143	110
Volleyball	--	45
Wrestling	<u>90</u>	<u>143</u>
	<b>16,885</b>	<b>16,832</b>
<b>BUILDING AND EQUIPMENT MAINTENANCE AND EXPENSE</b>		
Outside services and supplies	45,865	39,799
Utilities	14,399	12,336
Repairs	<u>145,606</u>	<u>91,734</u>
	<b>205,870</b>	<b>143,869</b>

See the accompanying notes and auditor's report .

**GEORGIA HIGH SCHOOL ASSOCIATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>OTHER EXPENSES</b>		
Insurance	880,117	918,048
Member share payouts	670,880	--
Outside services	48,880	40,440
Office supplies	8,947	9,169
Postage and delivery	22,026	12,068
Telephone & communications	11,139	10,376
Professional fees	44,044	32,039
Marketing expense	7,582	155
State meets (non-athletic)	41,184	43,790
Flowers and honoraria	2,700	500
Retirement expense	128,870	119,502
Community coaching program	151,270	159,311
AAASP	75,000	75,500
NASO summit	149,046	55,539
Depreciation	14,886	15,310
Dues and subscriptions	2,650	2,645
Trophies and awards	121,726	113,399
Officials' evaluations	17,974	16,853
Officials' supplies	79,761	23,066
Officials' camps	41,742	86,332
Sports medicine	2,841	810
Payroll taxes	86,188	78,750
City and county taxes	451	407
Licensing payouts	67,760	75,050
	<u>2,677,664</u>	<u>1,889,059</u>
	<u>\$ 8,033,500</u>	<u>\$ 6,748,317</u>

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION  
STATEMENTS OF CASH FLOWS – MODIFIED CASH BASIS  
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in net assets	\$ 1,459,141	\$ 1,620,945
Adjustments to reconcile increase (Decrease) in net assets to net cash provided by operating activities:		
Depreciation	14,886	15,310
(Gain) net loss on Investments	(1,065,647)	(765,663)
(Decrease) Increase in Payables	<u>(4,985)</u>	<u>( 1,229)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>403,395</b>	<b>869,363</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash provided by investments	289,957	1,044,694
Payments for property and equipment	<u>(17,038)</u>	<u>( 1,380)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>272,919</b>	<b>1,043,314</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>--</b>	<b>--</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>676,314</b>	<b>1,912,677</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u><b>4,911,551</b></u>	<u><b>2,998,874</b></u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u><b>\$ 5,587,865</b></u>	<u><b>\$ 4,911,551</b></u>

**SUPPLEMENTAL DISCLOSURES OF CASH PAID DURING THE YEAR FOR:**

Interest on investments	\$ --	\$ --
Foreign taxes on investments	1,271	1,310

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 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 fine arts through regional and state contests. The Association also registers, tests, and certifies high school athletic officials. The Association's support comes primarily from corporate sponsorships, and a percentage of event admission receipts. Additionally, The Association evaluates, year by year, whether or not to charge membership dues based on financial need. These dues have been waived for the past five fiscal years.

#### 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, current liabilities and long-term liabilities in the accompanying statement of assets, liabilities and net assets-modified cash basis.

#### Basis of Presentation

Catastrophic insurance premiums collected from member schools in fiscal year 2025 were \$ -0- and were \$ -0- for fiscal year 2024. Collection of catastrophic insurance premiums have been waived as part of membership dues for the past five fiscal years.

#### 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 capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions 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 contributions with donor restrictions.

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 SIGNIFICANT ACCOUNTING POLICIES (Con't)

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

The Association reclassifies net assets with donor restrictions to net assets without donor restrictions 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. There are no estimates that are particularly susceptible to significant change in the near term.

#### Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

#### 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 across all events and tournaments.

#### Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of assets, liabilities, and assets – modified cash basis. 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 net assets without donor restrictions 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 SIGNIFICANT ACCOUNTING POLICIES (Con't)

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#### Investments (Con't)

Short-term investments consist of certificates of deposit with original maturities of twelve months or less. The Association does not currently have any short-term investments. Long-term investments consist of debt and equity securities, REITs, and government 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 classified by the Internal Revenue Service as other than a private foundation.

The Association utilized the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2025, the Association has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

#### 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. Cash and cash equivalents include demand deposits and certain money market funds. Although some money market funds are held within the Association's investment accounts, management considers these to be cash equivalents because they are highly liquid and readily convertible to known amounts of cash with insignificant risk of changes in value.

#### 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.

## **GEORGIA HIGH SCHOOL ASSOCIATION**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **NOTE B – FINANCIAL ASSET AVAILABILITY AND LIQUIDITY**

The Association maintains its financial assets primarily in cash and investments to furnish liquidity that provides available funds as The Associations expenses come due. The Association has \$12,588,144 in financial assets as of June 30, 2025 consisting of cash and investments.

#### **NOTE C – RESTRICTIONS OF NET ASSETS**

The Association has no net assets with donor restrictions.

#### **NOTE D – CONCENTRATION OF CASH DEPOSITS**

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 Colony Bank accounts. This arrangement allows the Association to secure deposits over \$250,000 under Securities Investor Protection Corporation (SIPC). From time to time, the deposits in Colony Bank exceed FDIC insurance limits.

#### **NOTE E – INVESTMENTS**

The investment objectives of the Association are to provide a reserve fund for future long-term uncertainty. The Association invests long-term and generally accepts a conservative yield for minimum risk. The investments are generally held to maturity.

The fair values of long-term investments totaled \$7,000,279 and \$6,224,589 at June 30, 2025 and 2024, respectively. Investment advisory fees of \$49,983 and \$35,743 were paid at June 30, 2025 and 2024 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 income and their classification in the statement of activities for the years ended:



# GEORGIA HIGH SCHOOL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE E – INVESTMENTS (Con't)

	<u>June 30, 2025</u>		<u>June 30, 2024</u>	
	<u>Unrestricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Total</u>
Interest & dividend income	\$ 209,528	\$ 209,528	\$ 168,692	\$ 168,692
Net realized & unrealized gains (losses)	<u>856,119</u>	<u>856,119</u>	<u>596,971</u>	<u>596,971</u>
Total investment income	<u>\$1,065,647</u>	<u>\$1,065,647</u>	<u>\$ 765,663</u>	<u>\$ 765,663</u>

### NOTE F – 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:

	<u>June 30, 2025</u>		<u>June 30, 2024</u>	
	<u>Quoted Prices in Active Market for Identical Assets</u>		<u>Quoted Prices in Active Markets for Identical Assets</u>	
<u>Description</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>Fair Value</u>	<u>(Level 1)</u>
Total short-term investments	<u>-0-</u>	<u>-0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Long-term Investments				
Common Stocks, Bonds & REITs	<u>5,902,796</u>	<u>5,902,796</u>	<u>5,183,776</u>	<u>5,183,776</u>
Government Securities	<u>1,097,483</u>	<u>1,097,783</u>	<u>1,040,813</u>	<u>1,040,813</u>
Total long-term investments	<u>\$7,000,279</u>	<u>\$7,000,279</u>	<u>\$6,224,589</u>	<u>\$6,224,589</u>

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, 2025 and 2024.

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.

The proceedings method described may produce a fair value calculation that may not be reflective of net realizable value or future fair values.

# GEORGIA HIGH SCHOOL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE G – PROPERTY AND EQUIPMENT

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Property and equipment consists of the following:

	<u>2025</u>	<u>2024</u>
Office furniture, fixtures, and equipment	\$ 603,648	\$ 593,538
Office building & Improvements	603,183	603,183
Land – office building (non-depreciable)	6,210	6,210
Land – other (non-depreciable)	<u>11,774</u>	<u>11,774</u>
	1,224,815	1,214,705
 Accumulated depreciation	 <u>(1,008,015)</u>	 <u>(1,000,057)</u>
	 <u>\$ 216,800</u>	 <u>\$ 214,648</u>

### NOTE H – RETIREMENT PLANS

The Association provides a defined contribution retirement plan.

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 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Tax sheltered annuities	\$ <u>128,870</u>	\$ <u>119,502</u>
Total Retirement Expense	<u>\$ 128,870</u>	<u>\$ 119,502</u>

### NOTE I – CONTINGENCIES

As of September 30, 2025, (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.

## GEORGIA HIGH SCHOOL ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE I – CONTINGENCIES CON'T

On November 11, 2019, Lisa Michelle Maddox and Jeffrey David Maddox, Jr. filed suit against the GHSA, its President Glen White and its Executive Director Dr. James R. Hines, Jr. as well as a number of Lowndes County Georgia School officials alleging on February 2, 2018, the Plaintiffs were attending a wrestling tournament in the Lowndes County High School gym when Plaintiff Lisa Michelle Maddox fell traversing the bleachers. She alleges the defendants were negligent in operating and maintaining the bleachers which caused her to fall and sustain injuries. The GHSA filed its answer and numerous defenses including that it had no control over the bleachers and did not operate or maintain the same. The GHSA will defend the lawsuit vigorously and no loss is anticipated which will 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, other than a request for attorney's fees.

During the year ended June 30, 2025, the Association was assessed penalties by the Internal Revenue Service related to late filing of certain informational returns. The total penalties assessed amounted to approximately \$520,000. These penalties stem from filings due during the COVID crisis and the resulting delayed notification process has resulted in unusually large assessed amounts. The GHSA has the position that these penalties are not due and abatement requests have been filed. Based on consultation with tax advisors, it is probable that the full amount will be abated. Accordingly, no liability for these penalties has been recorded in the accompanying financial statements.

#### NOTE J – STATEMENT OF CASH FLOWS

The Association had non-cash investing transactions consisting of reinvested interest, dividends and capital gains in the amount of \$602,893 in fiscal year 2025 and \$319,802 in fiscal year 2024.

#### NOTE K – 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 2022, 2023, and 2024 are subject to examination by the IRS, generally for three years after they are filed.

# **GEORGIA HIGH SCHOOL ASSOCIATION**

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE L – SUBSEQUENT EVENTS**

The Association has evaluated subsequent events for potential recognition or disclosure through October 3, 2025, the date which the financial statements were available to be issued.