

GEORGIA HIGH SCHOOL ASSOCIATION

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

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**Established
1904**

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Georgia High School Association
Thomaston, Georgia

We have audited the accompanying statements of assets, liabilities, and net assets – modified cash basis of the Georgia High School Association (a nonprofit organization), as of June 30, 2014 and 2013, 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. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Georgia High School Association as of June 30, 2014 and 2013, and its support, revenue, expenses, and cash flows, for each of the years then ended, on the basis of accounting described in Note A.

Thomaston, Georgia
September 12, 2014

Jackson & Brown, PC

Member, Division For CPA Firms
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Certified Public Accountants

GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS
JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 871,859	\$ 967,533
Short - term investments	148,120	148,364
Prepaid expenses	<u>4,750</u>	<u>4,750</u>
TOTAL CURRENT ASSETS	1,024,729	1,120,647
Long - term investments	3,778,617	3,213,037
Property and equipment (net of depreciation)	<u>356,030</u>	<u>366,889</u>
TOTAL ASSETS	<u>\$ 5,159,376</u>	<u>\$ 4,700,573</u>
LIABILITIES		
Current Liabilities	<u>\$ --</u>	<u>\$ --</u>
TOTAL CURRENT LIABILITIES	<u>--</u>	<u>--</u>
TOTAL LIABILITIES	<u>--</u>	<u>--</u>
COMMITMENTS AND CONTINGENCIES	<u>--</u>	<u>--</u>
NET ASSETS		
Unrestricted	5,159,376	4,700,573
Temporarily restricted	--	--
Permanently restricted	<u>--</u>	<u>--</u>
TOTAL NET ASSETS	<u>5,159,376</u>	<u>4,700,573</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,159,376</u>	<u>\$ 4,700,573</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, 2014 AND 2013**

REVENUES	<u>2014</u>	<u>2013</u>
Invitational & regional tournaments		
Tennis	\$ 37	\$ 48
Swimming	2,032	290
Baseball	770	597
Basketball	54,800	59,794
Cheerleading	22,271	20,584
Cross Country	3,575	2,453
Lacrosse	856	826
Soccer	1,601	1,336
Softball	11,243	13,662
Track	9,639	7,579
Volleyball	4,092	3,537
Wrestling	<u>14,029</u>	<u>11,867</u>
	124,945	122,573
State tournaments & playoffs		
Baseball	61,282	54,524
Basketball	523,916	389,003
Cheerleading	73,300	79,336
Cross Country	9,795	11,524
Football	1,290,079	1,351,673
Gymnastics	21	2,915
Lacrosse	15,208	19,523
Soccer	60,105	78,256
Soccer officials	144,892	141,408
Softball	77,090	68,311
Swimming	4,190	5,263
Track	17,404	8,807
Volleyball	48,341	37,106
Wrestling	78,351	67,948
Weight Appeals	<u>13,350</u>	<u>11,400</u>
	2,417,324	2,326,997

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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Other revenues		
Dues from member schools	\$ 100,480	\$ 102,150
Corporate sponsorships	569,879	589,251
Rule books and publications	42,768	69,361
Vendor & Licensing Royalties	292,000	132,636
Fines	181,855	210,378
Officials' registration & insignia	281,177	288,624
Community coach registration	426,588	441,042
Trophies and awards	14,090	23,515
Appeals and miscellaneous	95,380	57,565
Camp fees	68,396	91,525
Refunds	<u> --</u>	<u> --</u>
TOTAL REVENUES	<u>4,614,882</u>	<u>4,455,617</u>
EXPENSES	<u>4,724,242</u>	<u>4,315,062</u>
(DECREASE) INCREASE IN NET ASSETS – OPERATING	(109,360)	140,555
NON-OPERATING ITEMS		
Investment income	565,682	481,086
Write-off of stale checks	<u>2,481</u>	<u>2,571</u>
TOTAL NON-OPERATING ITEMS	<u>568,163</u>	<u>483,657</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	458,803	624,212
NET ASSETS AT BEGINNING OF YEAR	<u>4,700,573</u>	<u>4,076,361</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,159,376</u>	<u>\$ 4,700,573</u>

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
SALARIES		
Executive Director	\$ 132,000	\$ 128,000
Assistant Executive Director	88,000	79,000
Associate Executive Directors	272,885	147,654
Other	<u>301,000</u>	<u>298,578</u>
	793,885	653,232
TRAVEL EXPENSES AND ALLOWANCES		
National meetings	68,022	17,986
State Executive Committee	98,096	48,140
Executive Director	6,810	4,858
Administrative Staff	8,417	1,827
Hardship Committee	6,995	6,392
Special and miscellaneous	<u>260</u>	<u>330</u>
	188,600	79,533
TOURNAMENTS		
Baseball	12,933	12,414
Basketball	82,115	57,930
Payout to Schools	169,838	122,892
Cheerleading	46,526	42,432
Payout to Schools	19,770	23,349
Cross Country	7,779	12,694
Football	116,042	142,483
Payout to Schools	790,232	819,092
Golf	18,876	5,120
Gymnastics	920	3,832
Lacrosse	5,547	4,627
Riflery	3,154	4,951
Soccer	2,526	25,155
Payout to Officials	150,090	149,100
Payout to Schools	32,882	--

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Softball	30,067	27,666
Payout to Schools	25,431	21,564
Swimming	13,947	11,672
Tennis	4,018	3,096
Track	31,225	27,087
Volleyball	17,042	23,284
Payout to Schools	19,925	10,552
Wrestling	100,337	87,128
Weight Program	<u>15</u>	<u>2,682</u>
TOTAL SPORTS	1,701,237	1,640,802
BOOKS AND PUBLICATIONS		
Rule books	135,094	134,600
CLINICS AND EXAMS		
Baseball	3,709	4,965
Basketball	4,667	4,776
Cheerleading	447	560
Football	3,909	3,631
Gymnastics	157	75
Officials	14,683	--
Riflery	71	--
Soccer	2,860	2,070
Softball	6,181	6,588
Swimming/Diving	166	--
Track	403	--
Volleyball	<u>53</u>	<u>--</u>
	37,306	22,665

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
PRINTING AND SUPPLIES		
Office supplies	29,551	29,023
Constitution & by-laws	8,020	7,601
Directories	16,895	18,271
Calendar	1,196	1,135
Schedules and other	298	1,514
	55,960	57,544
 BUILDING AND EQUIPMENT MAINTENANCE AND EXPENSE		
Outside services and supplies	37,712	73,340
Utilities	14,067	12,728
Repairs	2,342	3,570
	54,121	89,638
 OTHER EXPENSES		
Insurance	754,590	687,919
Outside services	158,509	134,141
Postage and delivery	31,680	38,220
Telephone & communications	19,033	18,338
Professional fees	44,324	28,858
Marketing expense	57,571	55,951
State meets (non-athletic)	27,631	28,224
Flowers and honoraria	1,600	4,629
Retirement expense	89,629	74,374
Community coaching program	165,460	163,849
AAASP	75,850	75,000
Sports medicine	29,000	25,000
NASO summit	--	4,880
Depreciation	30,453	26,846
Dues and subscriptions	2,904	6,080
Trophies and awards	67,560	71,851
Officials' evaluations	27,877	16,153
Officials' supplies	13,540	11,152
Officials' camps	39,207	65,849
Payroll taxes	59,512	48,531
City and county taxes	1,569	1,229
Licensing payouts	60,540	49,623
Miscellaneous	--	351
	1,758,039	1,637,048
	\$ 4,724,242	\$ 4,315,062

See the accompanying notes and auditor's report.

**GEORGIA HIGH SCHOOL ASSOCIATION
STATEMENTS OF CASH FLOWS – MODIFIED CASH BASIS
YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 458,803	\$ 624,212
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	<u>30,453</u>	<u>26,846</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	489,256	651,058
 CASH FLOWS FROM INVESTING ACTIVITIES		
Change in short – term investments, net	244	(1,108)
Change in long – term investments, net	(565,580)	(479,501)
Payments for property and equipment	<u>(19,594)</u>	<u>(3,053)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	(584,930)	(483,662)
 CASH FLOWS FROM FINANCING ACTIVITIES	--	--
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(95,674)	167,396
 BEGINNING CASH AND CASH EQUIVALENTS	<u>967,533</u>	<u>800,137</u>
 ENDING CASH AND CASH EQUIVALENTS	<u>\$ 871,859</u>	<u>\$ 967,533</u>

SUPPLEMENTAL DISCLOSURES OF CASH PAID DURING THE YEAR FOR:

Interest	\$	--	\$	--
Foreign taxes	\$	664	\$	269

See the accompanying notes and auditor's report.

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

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

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.

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 2014 were \$ 174,292 and were \$ 175,154 for fiscal year 2013. 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

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

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 other than a private foundation.

The Association's Form 990, *Return of Organization Exempt from Income Tax*, for the fiscal years ending in 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

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 book value of \$937,540 to cover the excess deposit amount over the federally insured limit of \$250,000. No losses are anticipated due to this condition.

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE D – INVESTMENTS

The fair values of short-term investments totaled \$148,120 and \$148,364 at June 30, 2014 and 2013, respectively. The fair values of long-term investments totaled \$3,778,617 and \$3,213,037 at June 30, 2014 and 2013, respectively.

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

	<u>June 30, 2014</u>		<u>June 30, 2013</u>	
	Unrestricted	Total	Unrestricted	Total
Interest & dividend income	\$ 46,590	\$ 46,590	\$ 62,235	\$ 62,235
Net realized & unrealized gains (Losses)	<u>519,092</u>	<u>519,092</u>	<u>418,851</u>	<u>418,851</u>
Total investment income	<u>\$ 565,682</u>	<u>\$ 565,682</u>	<u>\$ 481,086</u>	<u>\$ 481,086</u>

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:

<u>Description</u>	<u>June 30, 2014</u>		<u>June 30, 2013</u>	
	<u>Fair Value</u>	<u>Quoted Prices In Active Market for Identical Assets (Level 1)</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Short-term Investments				
Certificates of Deposit	\$ <u>148,120</u>	\$ <u>148,120</u>	\$ <u>148,364</u>	\$ <u>148,364</u>
Total short-term Investments	<u>\$ 148,120</u>	<u>\$ 148,120</u>	<u>\$ 148,364</u>	<u>\$ 148,364</u>
Long-term Investments				
Money Market Funds	\$ 561,637	\$ 561,637	\$ 94,209	\$ 94,209
Common Stocks	2,618,756	2,618,756	2,175,382	2,175,382
Government Securities	<u>598,224</u>	<u>598,224</u>	<u>943,446</u>	<u>943,446</u>
Total long-term Investments	<u>\$ 3,778,617</u>	<u>\$ 3,778,617</u>	<u>\$ 3,213,037</u>	<u>\$ 3,213,037</u>

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

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, 2014 and 2013.

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>2013</u>	<u>2012</u>
Land – office building	\$ 6,210	\$ 6,210
Land – other	11,774	11,774
Office building & improvements	593,906	593,906
Office furniture, fixtures, and equipment	<u>521,625</u>	<u>502,031</u>
	1,133,515	1,113,921
Accumulated depreciation	<u>(777,485)</u>	<u>(747,032)</u>
	<u>\$ 356,030</u>	<u>\$ 366,889</u>

NOTE G – RETIREMENT PLANS

Historically, the Association's employees were covered by the Georgia Teacher Retirement System. However, legislation passed by the 1984 Georgia General Assembly provided that no person employed by the Georgia High School Association after June 30, 1984 would be eligible for coverage under the Georgia Teacher Retirement System.

Subsequently, the Association agreed to make a contribution on behalf of all new employees at the same rate as that made on behalf of those employees covered by the Georgia Teacher Retirement System. These 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 2014 and 2013 was as follows:

	<u>2013</u>	<u>2012</u>
Tax sheltered annuities	<u>\$ 89,629</u>	<u>\$ 74,374</u>
Total Retirement Expense	<u>\$ 89,629</u>	<u>\$ 74,374</u>

GEORGIA HIGH SCHOOL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

NOTE H – CONTINGENCIES

As of September 12, 2014 (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 July 5, 2014 the Georgia High School Association received a Notice of Charge of Discrimination from the US Equal Employment Opportunity Commission. The Association has responded that they had no employment or assignment authority over the individual involved and that the charge should be amended and directed to the Middle Georgia Basketball Officials Association. The Georgia High School Association has not received a response to the request as of the date of this report. In the event that further action is taken against the Georgia High School Association, such action will be vigorously defended and would have minimal adverse financial consequences.

Counsel is not aware of any unasserted claims or assessments against the GHSA.

NOTE I – STATEMENT OF CASH FLOWS

The Association has no non-cash investing or financing transactions.

NOTE J – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through September 12, 2014 the date which the financial statements were available to be issued.

GHSA 2014-2015 GHSA BUDGET

REVENUE	2014-2015 BUDGET
Books & Publications	\$ 20,000
Invitational/Regional Tourneys	\$ 115,000
Preferred Vendor Sales	\$ 210,000
State Tourneys & Playoffs	\$2,450,000
Dues	\$ 110,000
Insurance Fees (Members)	\$ 175,000
Community Coach Registration	\$ 330,000
Trophies & Awards	\$ 10,000
Fines	\$ 120,000
Refunds	\$ 1,000
Interest Income/Fund Transfers	\$ 2,000
Miscellaneous Income	\$ 2,000
Rules Books	\$ 25,000
Officiating Department	\$ 350,000
Corporate Partnerships	\$ 350,000
Media Partnerships	\$ 30,000
TOTAL REVENUE	\$4,300,000
EXPENSES	2014-2015 BUDGET
Payroll Taxes	\$ 64,000
Printing	\$ 30,000
Professional Fees	\$ 35,000
Retirement Expense	\$ 93,000
Salaries & Wages	\$ 770,000
State Tourneys/Playoffs	\$1,500,000
State Meets (Activities)	\$ 25,000
Clinics & Exams	\$ 15,000
Evaluations	\$ 20,000
Insurance Expense	\$ 800,000
Occupancy Expense	\$ 25,000
Travel Expense/Meetings	\$ 100,000
Outside Services	\$ 125,000
Office Supplies/Equipment	\$ 25,000
Postal/Parcel Delivery	\$ 25,000
Telephone	\$ 15,000
Service Contracts	\$ 15,000
Community Coach Program	\$ 120,000
Trophies & Medals	\$ 60,000
Dues & Subscriptions	\$ 3,000
Flowers & Honoraria	\$ 2,000
Refunds	\$ 1,000
Marketing Expenses	\$ 60,000
Licensing Services	\$ 60,000
Disability Sports	\$ 75,000
Miscellaneous Expenses	\$ 2,000
Officiating Department	\$ 120,000
NFHS Books/Publications	\$ 90,000
Sports Medicine Project	\$ 25,000
TOTAL EXPENSES	\$4,300,000

1. Please provide an operational overview of your organization and provide an update on the current state of high school competitions you govern/sanction.....

The GHSA office located in Thomaston, Georgia operates and governs the daily activities / obligations of the Association. In office personnel consists of the Executive Director, the Assistant Executive Director and five (5) other Associate Directors. The Associate Directors have responsibilities for the various sports and activities. Six (6) administrative assistants aide in the operations of the Association. Their duties vary from clerical, to sanctioning, to eligibility review, to programs monitoring to office business management.

Participation numbers in the GHSA continue to grow. More schools are offering more sports / activities options.

As the state's numbers of public schools increases, the membership in the GHSA grows. Private school interest in the Association grows each time the opportunities for membership are offered. In the last ten (10) years membership has grown from 374 to the current 451 member schools. More than 125,000 individual athletes participate in the 29 sports and activities.

Extra-curricular activities may be declining in some states but that is not the case in Georgia.

2. Please describe your organizational structure.....

The GHSA is made up of 451 volunteer member schools. The schools are divided into six (6) classifications based on enrollment or FTE counts. Each classification is divided into eight (8) regions of like schools. Each region selects a representative to the rules making body, the State Executive Committee. Along with these 48 members, there are eight (8) at large appointees, A President and a Vice President (58 members). The principal governing committee within the GHSA is the Board of Trustees. This committee has nine (9) members (one from each classification, 1 at large, the President and Vice President). This committee is the title holder to all real and personal property of the Association.

The officers of the Association consist of the Executive Director, the President and Vice President.

The State Executive Director is recommended by the Board of Trustees and the nominee is ratified by the entire Executive Committee. The State Executive Director is responsible for the day to day operations of the Association; is authorized to interpret the rules, impose penalties, arrange State Tournaments, State Meets and otherwise conduct the business of the GHSA within the rules and guidelines adopted by the full State Executive Committee.

3. Please describe the terms and conditions of membership.....

- Membership consists of public and private schools in the state of Georgia.
- Traditional public schools, charter schools and / or magnet schools are admitted annually and without enrollment minimums.
- Private schools are admitted during the reclassification period and must have a minimum of 150 students, in grades 9-12, at the time of acceptance into the Association.
- There is no "admission fee" for primary membership acceptance.
- Membership is voluntary and renewed each year with the payment of the prescribed dues.

Dues (page 32) range from (A = \$340.00 to 6A = \$985.00) which includes a portion of the school's catastrophic insurance premium.
Schools with less than 50 students are assessed their insurance fees according to the actual number of students.
- Local board of education or board of control must adopt a resolution authorizing membership and agreeing to conform to the Constitution and By-Laws of the GHSA.

4. Please describe the activities and sports you govern / sanction....

Activities (All Co-Ed)

One Act Play
Literary
Rifle

Male

Football
Basketball
Cross Country
Wrestling
Swimming / Diving
Baseball
Soccer
Lacrosse
Track and Field
Tennis
Golf

Female

Softball
Volleyball
Basketball
Swimming / Diving
Cheer (2 styles)
Cross Country
Soccer
Lacrosse
Track and Field
Tennis
Gymnastics
Golf

Participation Numbers as of 2012 survey...

230,449 Boys

228,848 Girls

5. Please provide a summary of the purpose and vision of your organization....

The objective of the GHSA organization is the promotion of education in Georgia from a mental, physical, and moral viewpoint, to standardize and encourage participation in athletics, and to promote sportsmanship and an appreciation for the study of music, speech and other fine arts through Region and State competitions.

6. Please describe your meetings, procedures or activities that you consider to be covered by the Open Meetings Act....

The GHSA is subject to the Open Meetings Act and the Open Records Act by virtue of OCGA Section 20-2-316 with the exception that the GHSA is not required by that code section to comply where the sole subject of the meeting or record pertains to the academic records or performance of an individual student to participate or to continue to participate in sponsored events or contests based on academics. Where a meeting or record is devoted in part to matters excepted, any portion of the meeting or records not subject to the exception are open to the public.

7. Please describe your meetings, procedures or activities that you consider to be covered by the Open Records Act....

The GHSA is subject to the Open Meetings Act and the Open Records Act by virtue of OCGA Section 20-2-316 with the exception that the GHSA is not required by that code section to comply where the sole subject of the meeting or record pertains to the academic records or performance of an individual student to participate or to continue to participate in sponsored events or contests based on academics. Where a meeting or record is devoted in part to matters excepted, any portion of the meeting or records not subject to the exception are open to the public.

8. Please describe your meetings, procedures or activities that you consider to be exempt from the Open Meetings Act...

The GHSA is subject to the Open Meetings Act and the Open Records Act by virtue of OCGA Section 20-2-316 with the exception that the GHSA is not required by that code section to comply where the sole subject of the meeting or record pertains to the academic records or performance of an individual student to participate or to continue to participate in sponsored events or contests based on academics. Where a meeting or record is devoted in part to matters excepted, any portion of the meeting or records not subject to the exception are open to the public.

9. Do you consider your Appeals Boards and other ancillary boards and panels to be governed by the Open Records Act?

Yes. All the GHSA boards and committees are subject to the Open Records Act.

10. Do you consider your Appeals Boards and other ancillary boards and panels to be governed by the Open Meetings Act?

Yes. All the GHSA boards and committees are subject to the Open Meetings Act.

11. Please provide documentation of the means for determining eligibility of students for competition in your organization.....

Student eligibility is determined based on reports submitted to the GHSA from the member schools. Entering ninth (9th) grade students and those enrolled at the particular member school for at least one (1) calendar year are filed on what is known as "FORM A".

Transfer students are filed on the eligibility certificate known as "FORM B".

Students who were not able to finalize grades from the previous semester are filed on "FORM C". This must be filed within 15 school days of the beginning of the new semester.

Any student not meeting residence requirements or academic requirements may have their case appealed by the administration of the member school.

Students enrolled in a school for longer than 8 semesters may appeal, but their cases are heard only in September or April of each school year by the full Executive Committee.

Students "over age" are not eligible for an appeal.

(By-Laws section 1.00 – student, Pages 14-23)

12. Does your organization directly or indirectly base eligibility for play based on academic performance? If so, please state how....

The GHSA directly monitors student eligibility based on academic performance. Students must meet academic standards semester by semester and must meet provisions for progress towards graduation based on the particular year the student entered the ninth grade.

13. Does your organization track participating students' eligibility to compete in intercollegiate competition after completing eligibility at a member school? If so, please provide current data related to this topic....

Eligibility for consideration to play at the collegiate level is determined by the college governing bodies; NCAA, NAIA. A "clearing house" determines the students' qualifications. The GHSA is not involved in this process and does not monitor an athlete's collegiate acceptance or denial.

14. Please describe the classification and region alignment process....

Schools are reclassified every two (2) years. They are aligned based on FTE counts (public schools) and actual enrollment numbers (private schools). Schools are listed from the largest to the smallest. The Reclassification Committee, made up of the President, Vice President and 2 persons from each classification determines the percentage of schools to be placed in each classification. The process starts with the 6A schools and works down to 1A, the smallest schools. Once the schools are designated for each classification and appeals are resolved, the two (2) persons representing each classification provisionally place the schools in the eight (8) regions. All alignments must be approved by the committee as we move from class to class. The overall plan is then approved by the full State Executive Committee. Schools are notified and have 14 days to appeal or to ask for lateral transfer. These appeals are heard in an open session and are either approved or denied. Schools that are denied may appeal to the full State Executive Committee when it convenes to ratify the final alignments.

15. Please describe how your organization manages classification and competition between public and private schools.....

Only in Class A are member public / private schools separated in competitions. During the regular season the Class A schools compete against one another. In the post-season the schools are separated for public and private playoffs. The sports of football, softball, baseball and basketball use a "power ranking" system to determine those qualified for the post season. All other sports / activities are divided into Areas where public and private compete separately to determine those eligible for the post season and which schools would be determined to be public school champion or private school champion.

There is no separation of schools in Class 2A-6A.

16. Please provide your vision for the future of high school competitions of the sort your organization sanctions in Georgia....

National research continues to verify that students involved in all types of extra-curricular activities perform better in the classroom and have less major behavioral problems than those who do not participate.

“Education-based athletics” have a different core value system than any other level of athletics. They are an extension of the classroom and they add richness to a mosaic of a school’s culture by providing participation opportunities for any student who wants them. In the process of deriving enjoyment from participation, these students learn life skills that help them develop into healthy adults and productive citizens.

Because school-based athletics are so important to the short-term and long-term development of our students, it is imperative that the staff of the GHSA take full responsibility for making athletic programs and events the very best they can be now and in the future.

17. Please provide copies of current financials for your organization...

- Budget for 2014-15
- Audit Report for 2014

18. Please provide a summary of the financial obligations of member schools...

Member schools pay dues to the GHSA. These fees are based on the size of the school; larger schools pay higher dues.

Each region must finance its operations in the regular season. Schools in the region participate equally in “region dues”.

Schools must finance their programs through gate receipts and / or booster club(s) support, or other contributions...

19. Please describe revenue streams for the organization...

- Revenue streams include:
 - Dues collected from member schools; GHSA pays 75% of Catastrophic Insurance for all member schools
- Small percentages of revenue (5%) from regular season tournaments and invitationals.
- Percentages of gate receipts (12%) in post season competition.
 - Several sports / competitions yield no profits or a loss of revenue (Softball, One Act Play, Literary, Volleyball, Wrestling, Golf, Tennis, Swimming) for example
 - Others yield small profits (Cross Country, Track and Field, Soccer, LaCrosse)
- Corporate partnerships
- Merchandise commissions
- The GHSA returned more than \$1.2 million in revenue to member schools from championship events.

20. Please provide an accounting of the current assets of the organization...

All assets are posted in the 2014 Audit Report

21. Please describe the financial responsibilities of your member schools in the event they host a play-off or post-season event...

Member schools hosting play-off games / post season events must assemble security, game management, ticket-takers, all facets of the presentation of the contest. The GHSA office has a template for financial support per each sport. The financials outlay for schools is minimal and is refunded within the revenue shares of the respective sport.

22. What is your policy on differentiated ticket pricing (children's / student pricing) for post season / playoff events? Do you believe this structure significantly impact(s) attendance of competitor's classmates and family at the events?

Admission prices are set for post-season competitions by the GHSA State Executive Committee. Over the years, the Association has gone to a single, all-day admission price. This is a better strategy than attempting to charge smaller fees for individual sessions. Currently, only the state football championships sell tickets "pre-sale" at a reduced rate.

We do not see evidence of a negative impact on attendance, etc. based on our ticket prices. Attendance is based on the schools in the game and the loyalties of the fan base.

23. Would you please provide the committee members with a copy of the GHSA "White Book" for reference?

Yes