

***Nebraska School Activities Association  
Lincoln, Nebraska***

***July 31, 2017 and 2016***

***Financial Statements  
and  
Report of Independent Certified Public Accountants***



CPAs & Consultants | Wealth Management

Nebraska School Activities Association  
For the years ended July 31, 2017 and 2016

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors  
Nebraska School Activities Association  
Lincoln, Nebraska

We have audited the accompanying financial statements of Nebraska School Activities Association, which comprise the statements of financial position as of July 31, 2017 and 2016 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nebraska School Activities Association as of July 31, 2017 and 2016, 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.

## Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Cash and Cash Equivalents, Schedule of Certificates of Deposit, Schedule of Functional Expenses, Schedules of Activities, Revenues and Expenses, and Schedules of Believer/Achiever Program are presented for the 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 financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit 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.

*HBE LLP*

October 5, 2017

**HBE**



Nebraska School Activities Association

STATEMENTS OF FINANCIAL POSITION

July 31,

ASSETS

	<u>2017</u>	<u>2016</u>
Cash and cash equivalents (note A)	\$ 3,713,178	\$ 3,174,806
Certificates of deposit	407,927	402,122
Investments (notes A, B and M)	507,364	510,846
Receivables (note A)	36,742	13,897
Inventories (note A)	61,881	70,905
Prepaid expenses	306,331	23,677
Property and equipment, net (notes A and C)	3,612,826	3,740,566
Loan origination fee, net (note D)	<u>12,981</u>	<u>17,211</u>
Total assets	<u>\$ 8,659,230</u>	<u>\$ 7,954,030</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 23,606	\$ 15,799
Deferred revenue (note A)	425,828	423,551
Accrued absences (note I)	88,320	85,217
Accrued interest payable	1,790	2,468
Capital leases payable (notes A and E)	<u>2,397,730</u>	<u>2,578,054</u>
Total liabilities	2,937,274	3,105,089
Net assets, unrestricted (note A)		
Undesignated	<u>5,721,956</u>	<u>4,848,941</u>
Total liabilities and net assets	<u>\$ 8,659,230</u>	<u>\$ 7,954,030</u>

See accompanying notes to financial statements.

## Nebraska School Activities Association

## STATEMENTS OF ACTIVITIES

For the years ended July 31,

	<u>2017</u>	<u>2016</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenue and support		
Activities	\$ 3,634,767	\$ 3,560,186
Corporate sponsorships	624,250	502,250
Membership, schools	12,160	12,120
Membership, officials/judges	183,116	181,622
Interest	6,866	23,334
Loss on investments	(960)	-
Catastrophic insurance reimbursement	245,656	213,646
Publication, sales	7,431	10,588
Publication, advertising	47,016	37,728
Coaches education	18,795	20,850
Rental income	36,750	35,225
Licensing	1,147	1,244
Television rights	120,000	120,000
Photos and video income	21,244	19,443
Special awards income	23,180	21,859
Royalties	27,560	25,540
Income from broadcasters	27,198	20,957
Other revenue	<u>3,065</u>	<u>10,424</u>
Total revenue and support	<u>5,039,241</u>	<u>4,817,016</u>
Expenses (note H)		
Program services		
Activities	1,497,339	1,474,516
Member services	2,168,778	2,102,740
Publications	71,132	46,016
Supporting services		
General and administrative	<u>428,977</u>	<u>460,093</u>
Total expenses	<u>4,166,226</u>	<u>4,083,365</u>
Increase in unrestricted net assets	873,015	733,651
Net assets, beginning of year	<u>4,848,941</u>	<u>4,115,290</u>
Net assets, end of year	<u><u>\$ 5,721,956</u></u>	<u><u>\$ 4,848,941</u></u>

See accompanying notes to financial statements.

Nebraska School Activities Association

STATEMENTS OF CASH FLOWS

For the years ended July 31,

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Cash received from revenue and support	\$ 5,012,768	\$ 4,817,594
Cash paid to employees and suppliers	(4,187,623)	(3,573,203)
Interest received	6,866	23,334
Interest paid	<u>(100,680)</u>	<u>(125,609)</u>
Net cash provided by operating activities	<u>731,331</u>	<u>1,142,116</u>
Cash flows from investing activities:		
Purchases of property and equipment	(9,351)	(59,014)
Purchase of certificates of deposit	-	(118,939)
Proceeds from certificates of deposit	-	113,978
Purchase of investments	<u>(3,284)</u>	<u>(510,846)</u>
Net cash used by investing activities	<u>(12,635)</u>	<u>(574,821)</u>
Cash flows from financing activities		
Payments of loan fees	-	(12,963)
Principal payments on capital leases	<u>(180,324)</u>	<u>(144,532)</u>
Net cash used by financing activities	<u>(180,324)</u>	<u>(157,495)</u>
Net increase in cash and cash equivalents	538,372	409,800
Cash and cash equivalents, beginning of year	<u>3,174,806</u>	<u>2,765,006</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,713,178</u></u>	<u><u>\$ 3,174,806</u></u>
Increase in net assets	<u>\$ 873,015</u>	<u>\$ 733,651</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	141,321	141,833
Loss on investments	960	-
(Increase) decrease in assets		
Receivables	(22,845)	12,109
Inventories	9,023	(16,004)
Prepaid expenses	(282,654)	293,015
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	7,807	(45,237)
Deferred revenue	2,277	11,803
Accrued absences	3,104	12,199
Accrued interest payable	<u>(677)</u>	<u>(1,253)</u>
Total adjustments to increase in net assets	<u>(141,684)</u>	<u>408,465</u>
Net cash provided by operating activities	<u><u>\$ 731,331</u></u>	<u><u>\$ 1,142,116</u></u>
Supplemental disclosure of noncash investing and financing activities:		
Assets acquired under capital leases	<u>\$ -</u>	<u>\$ 23,945</u>

See accompanying notes to financial statements.

Nebraska School Activities Association

NOTES TO FINANCIAL STATEMENTS

The Nebraska School Activities Association (the Association) is a nonprofit Association established to select, develop and direct interscholastic events and to regulate administration of those events. The judicial and administrative authority of the Association resides with the Board of Directors and is comprised of eight members, from the Association's six districts within the State. Most of the Association's revenue is derived from activity fees.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Method of Accounting.** The accompanying financial statements of the Association have been prepared on the accrual basis of accounting.

**Net Asset Classification.** The Association reports 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.

**Unrestricted net assets.** Net assets that are not subject to outside restrictions.

**Temporarily restricted net assets.** Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as "net assets released from restrictions."

**Permanently restricted net assets.** Net assets whose funds must be held indefinitely.

The Association has not received any revenue that would be classified as temporarily or permanently restricted net assets.

**Cash and Cash Equivalents.** For purposes of the statements of cash flows, the Association considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

**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 statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

**Receivables.** Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

**Inventories.** Inventories are recorded at cost, on a first-in/first-out basis, and consist of publications for sale and distribution to schools, supplies and stationery for office use.

NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Property and Equipment and Depreciation.** Property and equipment are carried at cost, if purchased and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. The Association capitalizes all acquisitions of property and equipment with a useful life greater than one year. Estimated useful lives by asset class follow:

Building	10-50 years
Office furniture and equipment	5-10 years
Athletic equipment	5-10 years
Vehicles	5 years

**Deferred Revenue.** Revenue received for future dues and fees is deferred to the applicable year.

**Leases.** Assets which are acquired by lease-purchase agreements and meet the criteria of a capital lease are recorded as assets and obligations at the lesser of the following:

- (1) An amount equal to the present value, at the beginning of the lease term, of minimum lease payments during the lease term, excluding that portion of the payments representing executory costs to be paid by the lessor, together with any profit thereon.
- (2) Fair value of the leased property at the inception of the lease.

Rental payments under agreements which meet the criteria of an operating lease are expensed when incurred.

**Income Taxes.** The Association is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of its exempt purpose is not subject to income tax. Any income earned through activities not related to its exempt purpose is subject to income tax at normal corporate rates.

**Fair Value Measurements.** The Financial Accounting Standards Board has issued guidance defining fair value, establishing a framework for measuring fair value and expanding disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Association utilizes a fair value hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

## NOTES TO FINANCIAL STATEMENTS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED****Fair Value Measurements. – Continued**

- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest priority level of any input that is significant to the fair value measurement. Transfers between levels shall occur at the actual date of the event or change in circumstances that caused the transfer. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE B - INVESTMENTS**

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Investments consist of:				
Corporate bonds	\$ 264,812	\$ 266,610	\$ 254,170	\$ 260,742
U.S. government securities	54,822	54,786	72,118	75,226
Mortgage backed securities	103,340	102,517	90,966	91,869
Listed equities	71,142	75,554	65,477	73,021
Exchange traded products	6,711	7,897	9,425	9,988
	<u>\$ 500,827</u>	<u>\$ 507,364</u>	<u>\$ 492,156</u>	<u>\$ 510,846</u>
Unrealized gain		<u>\$ 6,537</u>		<u>\$ 18,690</u>

Nebraska School Activities Association

NOTES TO FINANCIAL STATEMENTS

**NOTE C - PROPERTY AND EQUIPMENT**

	<u>2017</u>	<u>2016</u>
Building	\$ 4,334,537	\$ 4,334,537
Office furniture and equipment	380,069	375,403
Athletic equipment	47,764	47,764
Vehicles	<u>39,187</u>	<u>39,187</u>
	4,801,557	4,796,891
Less accumulated depreciation	<u>(1,188,731)</u>	<u>(1,056,325)</u>
	<u>\$ 3,612,826</u>	<u>\$ 3,740,566</u>

Depreciation expense for the year ended July 31, 2017 and 2016 was \$137,091 and \$138,205, respectively.

**NOTE D - LOAN ORIGINATION FEE**

The Association incurred origination fees totaling \$38,164 to refinance revenue bonds issued in 2007. These costs are being amortized over eight and twelve year periods. Accumulated amortization as of July 31, 2017 and 2016 was \$25,183 and \$20,953, respectively. Amortization expense for each of the years ended July 31, 2017 and 2016 was \$4,230 and \$3,628, respectively.

Remaining amortization expense for each subsequent year is as follows:

<u>Year ending July 31,</u>	
2018	\$ 2,656
2019	1,080
2020	1,080
2021	1,080
2022	1,080
Thereafter	<u>6,005</u>
	<u>\$ 12,981</u>

**NOTE E - CAPITAL LEASES**

The Association leases its office facilities from the City of Lincoln, Nebraska (the City), under a capital lease. The economic substance of the lease is that the Association is financing the acquisition of the office facility through the lease, and accordingly, it is recorded in the Association's assets and liabilities.

The Association leases office equipment under capital leases that expire in 2022.

Amortization of building and office equipment under capital leases amounted to \$97,364 and \$97,358 for the years ended July 31, 2017 and 2016, respectively and is included in depreciation expense.

Nebraska School Activities Association

NOTES TO FINANCIAL STATEMENTS

**NOTE E - CAPITAL LEASES - CONTINUED**

The following is a summary of property and equipment, stated at cost, held under capital leases included in property and equipment:

	<u>2017</u>	<u>2016</u>
Building	\$ 4,324,785	\$ 4,324,785
Office equipment	<u>54,339</u>	<u>54,339</u>
	4,379,124	4,379,124
Less accumulated depreciation	<u>(843,455)</u>	<u>(746,091)</u>
	<u><u>\$ 3,535,669</u></u>	<u><u>\$ 3,633,033</u></u>

Minimum future lease payments under capital leases are as follows:

<u>Year ending July 31,</u>	<u>Building</u>	<u>Office Equipment</u>	<u>Total</u>
2018	\$ 269,253	\$ 11,751	\$ 281,004
2019	269,253	11,751	281,004
2020	269,253	7,616	276,869
2021	269,253	4,932	274,185
2022	269,253	822	270,075
Thereafter	<u>1,560,656</u>	<u>-</u>	<u>1,560,656</u>
	2,906,921	36,872	2,943,793
Less amount representing interest	<u>(543,463)</u>	<u>(2,600)</u>	<u>(546,063)</u>
	<u><u>\$ 2,363,458</u></u>	<u><u>\$ 34,272</u></u>	<u><u>\$ 2,397,730</u></u>

**NOTE F - OPERATING LEASES**

As Lessee

The Association is the lessee of automobiles under operating leases expiring in various months through 2020. Vehicle lease expense was \$25,602 and \$23,882 for the years ended July 31, 2017 and 2016, respectively.

Minimum future lease payments under non-cancellable operating leases are as follows:

<u>Year ending July 31,</u>	
2018	\$ 18,952
2019	5,720
2020	<u>1,430</u>
	<u><u>\$ 26,102</u></u>



Nebraska School Activities Association

NOTES TO FINANCIAL STATEMENTS

**NOTE F - OPERATING LEASES - CONTINUED**

*As Lessor*

The Association is the lessor of office space under two non-cancellable operating leases. Under the first agreement annual lease payments are \$7,000 and \$2,000 for rent and utility assessment, respectively, through June 30, 2020. Under the second agreement annual payments are \$20,000 and \$2,000 for rent and utility assessment, respectively, through August 31, 2017, and contains a renewal for an additional ten years, which was exercised October 19, 2016.

The cost of the office space directly related to leasing activity amounts to \$1,016,767 as of July 31, 2017 and 2016. The accumulated depreciation of the office space directly related to the leasing activity amounted to \$194,897 and \$174,332 as of July 31, 2017 and 2016, respectively.

Future minimum rentals under existing operating leases are as follows:

Year ending July 31,

2018	\$ 33,000
2019	31,000
2020	30,250
2021	22,000
2022	22,000
Thereafter	<u>110,000</u>
	<u>\$ 248,250</u>

**NOTE G - RETIREMENT BENEFITS**

The Association has established a defined contribution retirement plan for its employees. The Association will provide a 101% match of the employee's contribution up to a maximum of 9.78% of their annual salary. Employer contributions are 100% vested. Contributions are charged to retirement expense in the year incurred and amounted to \$86,286 and \$80,984 for the years ended July 31, 2017 and 2016, respectively.

**NOTE H - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE I - ACCRUED ABSENCES**

The Association is liable for unused vacation time not used in the following year up to a maximum of twenty days for most employees. Any vacation time not used by the employee by the following May 31, is forfeited. Upon termination of employment, unused vacation time is paid. As of July 31, 2017 and 2016, unused vacation time amounted to \$57,809 and \$56,986, respectively.

Nebraska School Activities Association  
NOTES TO FINANCIAL STATEMENTS

**NOTE I - ACCRUED ABSENCES - CONTINUED**

The Association is liable for unused sick leave for qualified full-time employees with 10 or more years of continuous service. Unused sick leave up to a maximum of twenty days is compensatory for qualified employees at retirement or voluntary leave. As of July 31, 2017 and 2016, unused compensatory sick leave amounted to \$30,511 and \$28,231, respectively.

**NOTE J - DONATED MATERIALS AND SERVICES**

For the years ended July 31, 2017 and 2016, contributed athletic supplies amounted to \$55,492 and \$46,283, respectively, and are included in the revenue of each activity that benefited from the supplies contributed. A significant portion of the Association's functions, including tournament oversight, is conducted by volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

**NOTE K - INCOME TAXES**

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Association has advertising income, which is subject to tax on unrelated business income. For the years ended July 31, 2017 and 2016, the Association paid no taxes on unrelated business activity. 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.

The Association's federal Return of Organization Exempt from Income Tax (Form 990) and Exempt Organization Business Income Tax Return (Form 990-T) for July 31, 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

**NOTE L - CONCENTRATION OF CREDIT RISK**

Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of checking, money market, and certificate of deposit accounts at financial institutions. Accounts at each institution are insured by the FDIC up to \$250,000. At July 31, 2017 and 2016, the bank accounts exceeded federally insured limits by \$3,071,070 and \$2,496,464, respectively. The Organization has not experienced any losses on such accounts.

The Association also holds a short-term Federal investment trust (STFIT) account that is not FDIC insured. At July 31, 2017 and 2016, the STFIT account balance was \$30,788 and \$30,650, respectively.

The Association also holds a money market fund that is not FDIC insured, but is backed by the U.S. government. At July 31, 2017 and 2016, the money market fund account balance was \$448,000.

**NOTE M - FAIR VALUE MEASUREMENTS**

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the year ended July 31, 2017.

Nebraska School Activities Association  
NOTES TO FINANCIAL STATEMENTS

**NOTE M - FAIR VALUE MEASUREMENTS - CONTINUED**

*Listed equities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Exchange traded products:* Valued at the observable net asset value (NAV) of shares held by the Association at year-end.

*Corporate bonds, U.S. government and agency obligations:* Valued using independent pricing models.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of July 31, 2017 and 2016.

	2017			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Corporate bonds	\$ 266,610	\$ -	\$ 266,610	\$ -
U.S. government obligations	54,786	-	54,786	-
U.S. agency obligations	102,517	-	102,517	-
Listed equities	75,554	75,554	-	-
Exchange traded products	7,897	7,897	-	-
	<u>\$ 507,364</u>	<u>\$ 83,451</u>	<u>\$ 423,913</u>	<u>\$ -</u>
	2016			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Corporate bonds	\$ 260,742	\$ -	\$ 260,742	\$ -
U.S. government obligations	75,226	-	75,226	-
U.S. agency obligations	91,869	-	91,869	-
Listed equities	73,021	73,021	-	-
Exchange traded products	9,988	9,988	-	-
	<u>\$ 510,846</u>	<u>\$ 83,009</u>	<u>\$ 427,837</u>	<u>\$ -</u>

**NOTE N - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the audit report date, the date the financial statements were available to be issued.

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SUPPLEMENTAL INFORMATION

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Nebraska School Activities Association

SCHEDULE OF CASH AND CASH EQUIVALENTS

July 31, 2017

	Interest Rate	Balance
Cash and cash equivalents:		
Cash on hand	-	\$ 75
Raymond James	0.02%	10,785
U.S. Bank, checking account	Variable	2,995,302
U.S. Bank, money market	Variable	228,228
U.S. Bank, government-backed money market	Variable	448,000
Union Bank and Trust Company		
Short Term Federal Investment Trust (STFIT)	Variable	<u>30,788</u>
Total cash and cash equivalents		<u>\$ 3,713,178</u>

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Nebraska School Activities Association  
SCHEDULE OF CERTIFICATES OF DEPOSIT

July 31, 2017

	<u>Original Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Certificates of deposit:				
Union Bank and Trust Company	6-17-16	6-17-21	1.85%	\$ 37,719
Union Bank and Trust Company	8-11-12	8-11-18	1.15%	224,545
NebraskaLand	6-8-16	5-8-19	1.63%	79,988
Bank of the West	8-2-14	8-2-17	1%	32,296
Bank of the West	7-21-12	7-21-19	2%	<u>33,379</u>
Total certificates of deposit				<u>\$ 407,927</u>

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Nebraska School Activities Association

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended July 31, 2017  
With comparative totals for the year ended July 31, 2016

	Program Services				General and Administration	Total 2017	Total 2016
	Activities	Member Services	Publications	Total			
Activities	\$ 1,497,339	\$ -	\$ -	\$ 1,497,339	\$ -	\$ 1,497,339	\$ 1,474,516
Salaries	-	834,763	20,611	855,374	175,197	1,030,571	1,023,986
Payroll taxes	-	60,469	1,493	61,962	12,691	74,653	75,698
Medical and LTC insurance	-	149,462	3,690	153,152	31,369	184,521	187,864
Retirement	-	69,892	1,726	71,618	14,668	86,286	80,984
Lobbying fees	-	-	-	-	27,200	27,200	27,000
Postage	-	18,252	429	18,681	2,792	21,473	19,924
Officials' and Judges' expense	-	94,778	-	94,778	-	94,778	75,631
Awards	-	14,144	-	14,144	-	14,144	13,638
Vehicle expense	-	38,367	903	39,270	5,868	45,138	44,829
Staff travel	-	40,329	949	41,278	6,168	47,446	58,656
Committees	-	4,897	-	4,897	-	4,897	11,180
Meetings and promotions	-	15,617	-	15,617	-	15,617	2,637
Depreciation and amortization	-	120,123	2,826	122,949	18,372	141,321	141,833
General insurance	-	74,369	1,750	76,119	11,374	87,493	89,245
Catastrophic insurance	-	281,194	-	281,194	-	281,194	232,225
Utilities	-	29,255	688	29,943	4,475	34,418	30,695
Equipment maintenance and repair	-	12,396	292	12,688	1,895	14,583	18,009
Building maintenance and repair	-	21,157	498	21,655	3,236	24,891	31,788
Bank and credit card fees	-	16,260	-	16,260	856	17,116	16,080
Telephone	-	21,796	513	22,309	3,333	25,642	24,333
Internet expense	-	12,416	292	12,708	1,899	14,607	14,027
Stationery and supplies	-	12,572	296	12,868	1,922	14,790	24,495
Legal fees	-	7,074	166	7,240	1,082	8,322	49,044
Audit fees	-	9,465	223	9,688	1,447	11,135	12,835
Publications	-	-	31,807	31,807	-	31,807	5,780
Miscellaneous	-	8,892	209	9,101	1,360	10,461	7,761
Programming	-	31,878	1,771	33,649	1,771	35,420	30,283
Legislative commission	-	1,157	-	1,157	-	1,157	1,178
Board of directors	-	88,715	-	88,715	-	88,715	71,206
Workers, staff and board uniforms	-	8,909	-	8,909	-	8,909	5,888
Representative assembly	-	9,744	-	9,744	-	9,744	9,736
Dues and subscriptions	-	6,117	-	6,117	-	6,117	5,114
Membership publications	-	14,477	-	14,477	-	14,477	11,983
Interest expense	-	-	-	-	100,002	100,002	124,356
Corporate sponsorship	-	39,842	-	39,842	-	39,842	28,928
Total year ended July 31, 2017	<u>\$ 1,497,339</u>	<u>\$ 2,168,778</u>	<u>\$ 71,132</u>	<u>\$ 3,737,249</u>	<u>\$ 428,977</u>	<u>\$ 4,166,226</u>	
Total year ended July 31, 2016	<u>\$ 1,474,516</u>	<u>\$ 2,102,740</u>	<u>\$ 46,016</u>	<u>\$ 3,623,272</u>	<u>\$ 460,093</u>		<u>\$ 4,083,365</u>

## Nebraska School Activities Association

## SCHEDULE OF ACTIVITIES, REVENUES AND EXPENSES

For the year ended July 31, 2017

	Revenues				Expenses			Revenue Over (Under) Expenses	2017	2017	2017
	Registration Fees	Tournament and Meet Revenues	Other Revenues	Total	Travel Reimbursements To Schools	Tournament and Meet Expenses	Total		Revenue Over (Under) 2016	Expenses Over (Under) 2016	Net Over (Under) 2016
Baseball	\$ 3,555	\$ 89,699	\$ 10,000	\$ 103,254	\$ 4,061	\$ 65,172	\$ 69,233	\$ 34,021	\$ 13,907	\$ 5,255	\$ 8,652
Basketball											
Boys	13,545	800,839	85,000	899,384	45,755	162,528	208,283	691,101	9,504	(748)	10,252
Girls	13,590	441,166	85,000	539,756	44,697	160,441	205,138	334,618	(6,005)	1,273	(7,278)
Cross country	21,510	22,915	35,034	79,459	25,028	20,811	45,839	33,620	(806)	(4,041)	3,235
Debate	1,215	-	-	1,215	-	-	-	1,215	(765)	-	(765)
Football	13,410	283,826	20,000	317,236	24,974	52,659	77,633	239,603	7,995	(4,270)	12,265
Golf											
Boys	11,025	8,611	14,190	33,826	-	23,955	23,955	9,871	7,333	4,727	2,606
Girls	6,570	10,855	6,592	24,017	-	14,807	14,807	9,210	3,104	1,570	1,534
Journalism	3,870	1,801	2,500	8,171	-	7,126	7,126	1,045	127	(312)	439
Music	13,455	-	100	13,555	-	4,610	4,610	8,945	55	(2,604)	2,659
Play production	12,195	12,213	22,008	46,416	6,623	19,999	26,622	19,794	3,803	701	3,102
Soccer	7,200	153,782	-	160,982	6,426	77,816	84,242	76,740	(11,796)	1,392	(13,188)
Softball	6,525	67,038	-	73,563	15,360	37,449	52,809	20,754	2,713	1,490	1,223
Speech	13,230	14,999	1,200	29,429	-	54,745	54,745	(25,316)	2,189	2,547	(358)
Swimming	5,490	41,809	-	47,299	-	20,801	20,801	26,498	(346)	(450)	104
Tennis											
Boys	2,790	5,575	-	8,365	-	7,683	7,683	682	1,548	(240)	1,788
Girls	3,105	5,261	-	8,366	-	7,250	7,250	1,116	1,808	(657)	2,465
Track	26,955	235,891	3,000	265,846	89,217	101,637	190,854	74,992	516	(28,351)	28,867
Unified bowling	2,115	42,377	1,000	45,492	-	46,286	46,286	(794)	45,492	46,286	(794)
Volleyball	13,545	300,104	85,000	398,649	45,128	115,285	160,413	238,236	(2,394)	(9,467)	7,073
Wrestling	11,250	495,745	-	506,995	73,120	99,294	172,414	334,581	(871)	7,287	(8,158)
Dual wrestling	-	23,492	-	23,492	2,250	14,346	16,596	6,896	(2,530)	1,435	(3,965)
	<u>\$ 206,145</u>	<u>\$ 3,057,998</u>	<u>\$ 370,624</u>	<u>\$ 3,634,767</u>	<u>\$ 382,639</u>	<u>\$ 1,114,700</u>	<u>\$ 1,497,339</u>	<u>\$ 2,137,428</u>	<u>\$ 74,581</u>	<u>\$ 22,823</u>	<u>\$ 51,758</u>

## Nebraska School Activities Association

## SCHEDULE OF ACTIVITIES, REVENUES AND EXPENSES

For the year ended July 31, 2016

	Revenues				Expenses			Revenue Over (Under) Expenses	2016 Revenue Over (Under) 2015	2016 Expenses Over (Under) 2015	2016 Net Over (Under) 2015
	Registration Fees	Tournament and Meet Revenues	Other Revenues	Total	Travel Reimbursements To Schools	Tournament and Meet Expenses	Total				
Baseball	\$ 3,490	\$ 75,857	\$ 10,000	\$ 89,347	\$ 3,465	\$ 60,513	\$ 63,978	\$ 25,369	\$ 6,138	\$ 3,040	\$ 3,098
Basketball											
Boys	13,410	791,470	85,000	889,880	45,929	163,102	209,031	680,849	77,507	6,646	70,861
Girls	13,500	447,261	85,000	545,761	44,914	158,951	203,865	341,896	16,869	6,716	10,153
Cross country	20,835	59,430	-	80,265	26,980	22,900	49,880	30,385	3,773	3,798	(25)
Debate	1,980	-	-	1,980	-	-	-	1,980	270	-	270
Football	13,365	275,876	20,000	309,241	27,078	54,825	81,903	227,338	32,768	1,730	31,038
Golf											
Boys	10,935	6,495	9,063	26,493	-	19,228	19,228	7,265	(1,428)	(7,106)	5,678
Girls	6,255	9,105	5,553	20,913	-	13,237	13,237	7,676	1,501	(580)	2,081
Journalism	3,825	1,719	2,500	8,044	-	7,438	7,438	606	534	(787)	1,321
Music	13,500	-	-	13,500	-	7,214	7,214	6,286	(90)	2,039	(2,129)
Play production	11,970	11,798	18,845	42,613	7,260	18,661	25,921	16,692	(3,322)	2,891	(6,213)
Soccer	6,975	165,803	-	172,778	4,731	78,119	82,850	89,928	14,575	(2,179)	16,754
Softball	6,255	64,595	-	70,850	14,317	37,002	51,319	19,531	5,450	60	5,390
Speech	13,050	14,190	-	27,240	-	52,198	52,198	(24,958)	742	795	(53)
Swimming	5,355	42,285	5	47,645	-	21,251	21,251	26,394	1,023	1,553	(530)
Tennis											
Boys	2,745	4,072	-	6,817	-	7,923	7,923	(1,106)	(571)	1,398	(1,969)
Girls	3,060	3,498	-	6,558	-	7,907	7,907	(1,349)	(196)	2,099	(2,295)
Track	26,865	238,465	-	265,330	82,662	136,543	219,205	46,125	17,139	(6,893)	24,032
Volleyball	13,500	302,543	85,000	401,043	43,328	126,552	169,880	231,163	25,304	21,419	3,885
Wrestling	11,205	496,661	-	507,866	68,729	96,398	165,127	342,739	16,381	9,966	6,415
Dual wrestling	-	26,022	-	26,022	-	15,161	15,161	10,861	(983)	(1,192)	209
	<u>\$ 202,075</u>	<u>\$ 3,037,145</u>	<u>\$ 320,966</u>	<u>\$ 3,560,186</u>	<u>\$ 369,393</u>	<u>\$ 1,105,123</u>	<u>\$ 1,474,516</u>	<u>\$ 2,085,670</u>	<u>\$ 213,384</u>	<u>\$ 45,413</u>	<u>\$ 167,971</u>

Nebraska School Activities Association

SCHEDULES OF BELIEVER/ACHIEVER PROGRAM

July 31,

	<u>2017</u>	<u>2016</u>
Revenue:		
Banquet receipts	<u>\$ 510</u>	<u>\$ 360</u>
Expenses:		
Printing	1,410	1,760
Scholarships	4,000	4,400
Awards	1,870	1,814
Banquet	<u>6,701</u>	<u>6,285</u>
Total expenses	<u>13,981</u>	<u>14,259</u>
Net loss	<u>\$ (13,471)</u>	<u>\$ (13,899)</u>

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