

**KENTUCKY HIGH SCHOOL ATHLETIC  
ASSOCIATION**

**Report on Audited Financial Statements**

For the Years Ended June 30, 2008 and 2007

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**MILLER, MAYER, SULLIVAN & STEVENS LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

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Commissioners and Board of Control  
Kentucky High School Athletic Association  
Lexington, Kentucky

We have audited the accompanying statements of financial position of Kentucky High School Athletic Association, (a nonprofit organization) as of June 30, 2008 and 2007 and the related statements of activities and cash flows 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 audits 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky High School Athletic Association as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses on page 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Miller, Mayer, Sullivan, & Stevens, LLP*

Lexington, Kentucky  
December 9, 2008

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
<b>Assets</b>		
Cash:		
Operating accounts	\$ 833,327	\$ 660,656
Cash balance allocated for Dawahares Hall of Fame Project	99,219	97,921
Investments	118,286	113,586
Accounts receivable	96,752	119,338
Prepaid insurance	2,608	3,115
Land, buildings, and equipment, net of accumulated depreciation	2,715,575	2,744,334
 Total assets	 \$ 3,865,767	 \$ 3,738,950
<b>Liabilities</b>		
Accounts payable	\$ 251,115	\$ 242,450
Other accrued liabilities	2,227	4,586
Deferred revenues	181,140	280,921
Accrued sick leave	107,972	101,059
 Total Liabilities	 542,454	 629,016
<b>Net Assets</b>		
Unrestricted:		
Operating	2,669,585	2,600,844
Board designated	610,009	466,582
 Total unrestricted	 3,279,594	 3,067,426
Temporarily restricted	43,719	42,508
 Total net assets	 3,323,313	 3,109,934
 Total liabilities and net assets	 \$ 3,865,767	 \$ 3,738,950

*The accompanying notes are an integral part of the financial statements.*

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended June 30, 2008 and 2007

	2008	2007
<b>Changes in unrestricted net assets:</b>		
<b>Revenues, gains and support:</b>		
Boys state basketball tournament	\$ 1,712,293	\$ 1,699,048
Member fees	498,530	496,105
Girls state basketball tournament	393,197	339,944
Football playoffs	373,583	236,933
Other tournaments	471,479	479,653
Interest earned	13,155	26,350
Hall of fame events	113,658	45,606
Public and other support	809,756	570,562
Advertising and publications	18,662	20,156
Total unrestricted revenues, gains and support	4,404,313	3,914,357
<b>Expenses and losses:</b>		
General and administrative	2,863,974	2,588,442
Boys state basketball tournament	551,491	542,847
Other tournaments	399,110	419,937
Girls state basketball tournament	160,608	151,987
Football playoffs	131,574	86,721
Hall of fame events	51,182	54,255
Fundraising	34,206	34,628
Total expenses and losses	4,192,145	3,878,817
Increase (decrease) in unrestricted net assets	212,168	35,540
<b>Changes in temporarily restricted net assets:</b>		
Contributions	39,000	39,088
Net assets released from restrictions	(37,789)	(44,000)
Increase (decrease) in temporarily restricted net assets	1,211	(4,912)
Increase (decrease) in net assets	213,379	30,628
Net assets, beginning of year	3,109,934	3,079,306
Net assets, end of year	\$ 3,323,313	\$ 3,109,934

*The accompanying notes are an integral part of the financial statements.*

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended June 30, 2008 and 2007

	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets:	\$ 213,379	\$ 30,628
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation and amortization	127,571	130,950
Change in:		
Accounts receivable	22,586	(62,648)
Prepaid insurance	506	(3,115)
Accounts payable	29,993	35,820
Unearned revenues	(99,781)	(2,239)
Accrued expenses	4,554	(3,825)
Net cash provided by operating activities	298,808	125,571
<b>Cash flows from investing activities:</b>		
Purchase of building improvements and equipment	(120,140)	(177,001)
Transfer to account for Dawahares Hall of Fame Project	(1,298)	(2,716)
Transfer from account for Dawahares Hall of Fame Project		15,000
Maturity of investments	(4,699)	374,146
Net cash provided (used) by investing activities	(126,137)	209,429
<b>Cash flows from financing activities:</b>		
Reduction of debt		(300,746)
Change in cash and cash equivalents	172,671	34,254
Cash and cash equivalents, beginning of year	660,656	626,402
Cash and cash equivalents, end of year	\$ 833,327	\$ 660,656
<b>Supplemental Data:</b>		
Cash paid for interest during the year	\$	\$ 6,111
<b>Supplemental Schedule of Noncash Activity:</b>		
Purchase of Fixed Assets Included in Accounts Payable	\$	\$ 21,328
Non cash interest expense	\$ 5,956	\$ 6,915

*The accompanying notes are an integral part of the financial statements.*

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2008 and 2007

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**1. Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities.** Kentucky High School Athletic Association (Association) is a nonprofit Association organized for the purpose of development, regulation and purification of high school athletic activities in the Commonwealth of Kentucky.

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

**Cash and Cash Equivalents.** Cash and cash equivalents consist of operating cash in bank accounts and certificates of deposit with original maturities of three months or less.

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

**Accounts Receivable.** Receivable balances are stated at their unpaid balance. Management evaluates the collectibility of accounts receivable on an individual account basis and, using the specific write-off method, charges to expense the balance of accounts that are deemed not collectible. Generally accepted accounting principles requires that an allowance for uncollectible account balances be established for uncollectible account balances, and write-offs charged to the allowance account when collection efforts have been exhausted. The difference in accounting treatment is not material to these financial statements.

**Investments.** Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses, if any, are included in the change in net assets.

**Property and Equipment.** The Association reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Assets with useful lives of more than one year and a cost greater than \$500 are capitalized and depreciated over their useful life.

Property and equipment are stated at cost and are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Furniture and equipment	3-10
Building	40

**Income Taxes.** The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2008 and 2007**

**Financial Statement Presentation.** These financial statements are presented in accordance with established standards for external financial reporting by not-for profit organizations, which requires resources be classified for accounting and reporting purposes into three classes of net asset categories according to externally (donor) imposed restrictions:

1. Unrestricted net assets encompass the portion of net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.
2. Temporarily restricted net assets are the net assets resulting from contributions and other inflows whose use by the Association is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Association pursuant to those stipulations.
3. Permanently restricted net assets are the net assets resulting from contributions and other inflows whose use by the Association is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Association.

**Contributions.** Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of the donor restrictions.

**Recognition of Donor Restrictions.** The Association reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**2. Cash on Deposit with Banks**

As of June 30, 2008 and 2007, the funds on deposit of the Association with banks were \$1,161,379 and \$983,758, respectively. Of the balances at June 30, 2008 and 2007, amounts totaling \$227,088 and \$220,877, respectively, were covered by federal depository insurance, and \$932,275 and \$762,881, respectively, were collateralized in conjunction with other public service accounts by designated funds at Fifth Third Bank.

**3. Investments**

Investments at June 30, 2008 and 2007 are summarized as follows:

<u>Type of Investment</u>	<u>2008</u>	<u>2007</u>
Money market account - Board designating funding	\$ 118,286	\$ 113,586

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
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**For the Years Ended June 30, 2008 and 2007**

Total investment return for the years ended June 30, 2008 and 2007 are as follows:

	<b>2008</b>	<b>2007</b>
Interest earned on money market accounts	\$ 4,700	\$ 12,549
Interest earned on checking accounts	8,455	13,801
	<b>\$ 13,155</b>	<b>\$ 26,350</b>

The Association has a repurchase agreement with Fifth Third Bank. Under this agreement, the Bank does not segregate the securities to be sold and repurchased. However, the Association's interest in the underlying securities was noted in the Bank's records. The securities were held as collateral for the Association's investment. The Association cannot resell, pledge, assign, or otherwise dispose of the securities so purchased.

**4. Land, Buildings, & Equipment**

Land, buildings, and equipment for the years ended June 30, 2008 and 2007 consist of the following:

	<b>2008</b>	<b>2007</b>
Land	\$ 431,341	\$ 431,341
Building	3,269,660	3,269,660
Equipment	710,322	611,642
	4,411,323	4,312,643
Accumulated depreciation	(1,695,748)	(1,568,309)
	<b>\$ 2,715,575</b>	<b>\$ 2,744,334</b>

Depreciation expense for the years ended June 30, 2008 and 2007 was \$127,571 and \$116,711, respectively.

**5. Deferred Revenues**

Deferred revenues for the years ended June 30, 2008 and 2007 consist of the following:

	<b>2008</b>	<b>2007</b>
Unearned dues paid by member schools	\$ 81,400	\$ 80,400
Unearned registration fees paid by officials	99,740	117,130
Unearned registration fees paid for coaches' clinics		2,100
Unearned portion of Dawahares Hall of Fame Support		81,291
	<b>\$ 181,140</b>	<b>\$ 280,921</b>

In 2003, the Association entered into an agreement with a private business to ensure the long-term financial success of the Hall of Fame projects. Under the Agreement, the premium amount paid by the company for the sponsorship was \$20,000 per year for ten years, with the option of prepayment in three consecutive \$50,000 payments. The company elected the sponsorship prepayment, which reduced the amount by 25% to a total of \$150,000. In 2008, the company ceased operations, effectively ending the contract held with the Association. Due to the

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2008 and 2007**

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Association no longer having to provide advertising at various tournaments, the unearned portion of the contract was recognized as revenue at June 30, 2008. The Association chose to reclassify the restricted portion of the funds into an unrestricted board designated account to continue to ensure the long-term financial success of the Hall of Fame projects. Income recognized on the contract was \$67,247 for the year ended June 30, 2008. Interest expense on the contract for the years ended June 30, 2008 and 2007 totaled \$5,956 and \$6,915, respectively.

**6. Accrued Sick Leave**

Association employees are granted sick leave in accordance with administrative policy. Employees earn one day per month with unlimited accumulation. Employees are compensated for 30% of unused accumulated sick leave upon retirement. Compensation shall be the daily rate of pay being received at the time of retirement, based upon 260 work days per year. KERS members receive a retirement service credit while KTRS members have a choice between retirement service credit and a lump sum settlement.

As of June 30, 2008 and 2007, the estimated accrued sick leave liability is \$107,972 and \$101,059, respectively.

**7. Notes Payable**

On February 1, 1994, the Association entered into a loan agreement with the Lexington-Fayette Urban County Government relating to the Industrial Building Revenue Refunding Bonds (KHSAA PROJECT) of 1994. The Lexington-Fayette Urban County Government issued Industrial Building Revenue Bonds that were sold in a private sale to The Fifth Third Bank of Central Kentucky, Inc. The Association signed a 15-year promissory note with the Lexington-Fayette Urban County Government. Interest on the note was 5.1% through and including January 31, 1999, to be adjusted each fifth year. Effective February 1, 1999, the rate was renegotiated to 5.4% fixed through the remaining life of the loan. Payments on the promissory note have been irrevocably assigned to The Fifth Third Bank as trustee. The balance of the loan was paid in full at June 30, 2007.

Interest expense on this note for the years ended June 30, 2008 and 2007 totaled \$-0- and \$6,111, respectively.

**8. Pensions**

a. **Kentucky Teachers' Retirement System.** Eligible employees of the Association participate in the Statewide Kentucky Teachers' Retirement System (System), a cost sharing multi-employer public employee retirement system established and administered by the Commonwealth of Kentucky to provide benefit pension plan coverage for local school districts and other public educational agencies within the state.

Chapter 161 Section 220 of the Kentucky Revised Statutes stipulates who may become a member of the Kentucky Teachers' Retirement System. Generally, eligible persons are employed by local boards of education, the State Department of Education, some state universities, and some non-state supported organizations. The payroll for the Association's employees covered by the System for the years ended June 30, 2008 and 2007 was \$404,000 and \$388,500, respectively.

**Normal Retirement Date.** Employees are entitled to an annual retirement benefit, payable monthly for life, if they either attain the age of fifty-five (55) and complete five (5) years of Kentucky service or complete twenty-seven (27) years of Kentucky service.

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2008 and 2007**

**Normal Retirement Benefits.** Non-university employees receive monthly payments equal to either two (2) percent (service prior to July 1, 1983) or two and one half (2½) percent (service after July 1, 1983) of their final average salary for each year of credited service. The final average salary for employees retiring under the age of fifty-five is the average of the employee's five (5) highest annual salaries, and for employees retiring at the age of fifty-five or over, it is the average of the employee's three (3) highest annual salaries. New members (including second retirement accounts started) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than ten years. New members after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, members who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. The system also provides disability benefits for vested members at the rate of sixty (60) percent of the final average salary.

**Early Retirement Benefits.** Employees with less than twenty-seven (27) years of service may retire and receive reduced benefits.

**Other Benefits.** A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing members and \$5,000 for retired or disabled members. Cost of living increases are one and one-half (1.5) percent annually. Additional ad hoc increases, and any other benefit amendments must be authorized by the General Assembly. Members' retirement benefits become vested when they complete five (5) years of credited service.

Members are required by statute to contribute 9.855% of their salaries to the System. The Association contributes the remaining amounts necessary to finance the participation of employees in the System. Employer contributions are determined as a level percentage of payroll. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee contributions plus interest earned are refunded to the employee upon his or her request.

**Schedule of Contributions**

	<u>Required Employee Contribution</u>	<u>Required Employer Contribution</u>	<u>Required Total Contribution</u>	<u>Percentage of Required Contribution Actually Made</u>
2008	\$ 39,831	\$ 52,719	\$ 92,550	100 %
2007	38,528	51,189	89,717	100 %
2006	38,361	50,961	89,322	100 %

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess KTRS funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems.

A copy of the Kentucky Teachers' Retirement System's audited financial statements can be obtained from the Kentucky Teachers Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601 or on the internet at <http://ktrs.ky.gov>.

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2008 and 2007**

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**b. Kentucky Employees' Retirement System.** Certain other eligible employees participate in the Statewide Kentucky Employees' Retirement System (Plan), a cost-sharing multi-employer public employee retirement system, established and administered by the Commonwealth of Kentucky.

The System is a defined benefit plan which covers substantially all regular full-time employees of any state department, board, or agency directed by Executive Order to participate in the System. The payroll for employees covered by the System for the years ended June 30, 2008 and 2007 was \$231,000 and \$217,000, respectively.

**Normal Retirement Date.** Eligible members of the Kentucky Retirement Systems are entitled to an annual retirement benefit, payable monthly for life, if they either attain the age of 65 and have 48 or more months of service or accumulate 27 years of service credit.

**Normal Retirement Benefits.** The monthly retirement allowance is equal to 1.97% of the average annual salary of the members' five highest earnings years multiplied by the number of years of service credit divided by twelve. Members' retirement benefits become fully vested when they complete sixty months of service, twelve of which are current service. For the years ended June 30, 2008 and 2007, participating employees contributed 5% of creditable compensation to the System. Employer contribution rates are intended to fund the System's normal cost on a current basis plus one percent (1%) of unfunded past service costs per annum plus interest at the actuarial assumed rate. Such contribution rates are determined by the Board of Trustees of Kentucky Retirement Systems each biennium. Participating employers contributed at 8.5% and 7.75% of members' non-hazardous compensation for the years ended June 30, 2008 and 2007, respectively.

**Early Retirement Benefits.** Members retiring at less than 55 years of age with 25 or more years of service credit are entitled to reduced benefits.

**Other Benefits.** In addition to normal and retirement benefits provided by the System, disability, death, and medical insurance benefits are available.

**Schedule of Contributions**

	<u>Required Employee Contribution</u>	<u>Required Employer Contribution</u>	<u>Required Total Contribution</u>	<u>Percentage of Required Contribution Actually Made</u>
2008	\$ 12,717	\$ 21,619	\$ 34,336	100 %
2007	11,651	18,057	29,708	100 %
2006	11,276	11,697	22,973	100 %

A copy of the Kentucky Employees' Retirement System's audited financial statements can be obtained from the Kentucky Retirement System, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601 or on the Internet at [www.kyret.com](http://www.kyret.com).

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2008 and 2007

**9. Temporarily Restricted and Board Designated Net Assets**

Temporarily restricted net assets are restricted for the following purposes:

	<u>2008</u>	<u>2007</u>
Museum development	\$ 17,488	\$ 13,488
National City Bank scholarships	22,916	21,250
Fifth-Third Baseball scholarships	2,530	2,650
Fifth-Third Bank Tennis scholarships	785	2,120
Houchens scholarships		3,000
	<u>\$ 43,719</u>	<u>\$ 42,508</u>

Unrestricted net assets have been designated by the Board of Control for the following purposes:

	<u>2008</u>	<u>2007</u>
Museum development	\$ 133,730	\$ 117,608
Trademark/novelty reserve	43,904	49,281
Officials division	28,227	27,324
Plant emergencies	72,112	53,946
Equipment replacement	133,140	124,238
Title IX Project	68,196	72,167
Media reserve	42,595	10,000
Sportsmanship awards	7,641	12,018
Archives reserve	7,582	
Web development reserve	5,635	
Hall of Fame reserve	67,247	
	<u>\$ 610,009</u>	<u>\$ 466,582</u>

**10. In-Kind Support and Expenditures**

The Association receives donated services from a variety of unpaid vendors. These non-cash benefits are traded out for tickets or admission to various tournaments. The fair market value of these benefits are included as revenue and expenses to program activities. Donated services that are recognized in the basic financial statements for the years ended June 30, 2008 and 2007 are as follows:

	<u>2008</u>	<u>2007</u>
Vehicles	\$ 19,750	\$ 22,000
Phones		11,665
	<u>\$ 19,750</u>	<u>\$ 33,665</u>

**11. Concentrations of Credit Risk**

**Major Activities.** The Association earned \$1,712,293 and \$1,699,048 in gross revenue from the Boys State Basketball Tournament for the years ended June 30, 2008 and 2007, respectively. This represents approximately 40% and 43% of the Association's total gross revenues and support for 2008 and 2007, respectively.

## **SUPPLEMENTAL DATA**

**KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Years Ended June 30, 2008 and 2007**

	Boys State		Other Tournaments										Girls State		Hall of Fame		2008		2007		
	General & Administrative	Basketball Tournament	Baseball	Track	Soccer	Softball	Tennis	Country	Cross	Other Sports	Basketball Tournament	Football	Playoffs	Events	Fund	Expenses	Total	Expenses	Total		
Personnel	\$ 912,974	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 879,135	
Professional fees	269,479																				258,748
Other event costs	155,361	23,082	32,442	6,896	3,402	788	5,486	4,656	11,737	6,804	15,139	1,332	51,182								380,671
Tournament facility rental	194,592		17,028	14,205			1,075	7,769	8,311	900	38,248										290,795
Printing and publications	193,910	42,850	4,401	4,800	1,799	2,603	1,816	1,889	10,260	25,024	24,055										267,505
Insurance	228,528																				266,702
Team expenses and awards	46,960		15,085	19,171	11,580	21,492	8,944	8,074	25,679	46,530	25,244										234,768
Tournament workers	27,349		21,060	34,615	15,153	9,790	4,959	8,108	40,750	29,228	21,206										176,883
Sponsorship expense	100,671		2,802				140		3,941	15,101											145,928
Radio network	108,899		2,927							35,452	2,811										131,145
Miscellaneous	157,438																				184,926
Depreciation	127,571																				116,711
Clinics and officials' expenses	387,548																				387,548
Board of Control	70,275																				73,743
Utilities and telephone	65,652																				69,931
Repairs and maintenance	95,874																				65,652
Dues	51,296																				95,874
Postage	61,813																				51,296
Auto usage	19,750																				61,813
Sales commissions	4,316				323					887	2,190				32,874						19,750
Interest expense	5,956																				40,590
Professional development	33,272																				5,956
Administrative travel	26,852																				33,272
Audio visual expense	425	2,772	101	757	236	300	201	231	1,328	682	2,681										26,852
Amortization of debt cost																					9,714
<b>Total expenses</b>	<b>\$ 2,863,974</b>	<b>\$ 551,491</b>	<b>\$ 78,818</b>	<b>\$ 83,267</b>	<b>\$ 46,698</b>	<b>\$ 34,973</b>	<b>\$ 22,621</b>	<b>\$ 30,727</b>	<b>\$ 102,006</b>	<b>\$ 160,608</b>	<b>\$ 131,574</b>	<b>\$ 51,182</b>	<b>\$ 34,206</b>	<b>\$ 4,192,145</b>	<b>\$ 3,878,817</b>						

*The accompanying notes are an integral part of the financial statements.*