

**KENTUCKY HIGH SCHOOL
ATHLETIC ASSOCIATION**

Report on Audited Financial Statements

For the Years Ended June 30, 2004 and 2003

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MILLER, MAYER, SULLIVAN & STEVENS LLP

CERTIFIED PUBLIC ACCOUNTANTS
"INNOVATORS OF SOLUTION TECHNOLOGY"SM

INDEPENDENT AUDITORS' REPORT

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

We have audited the statements of financial position of the Kentucky High School Athletic Association (a nonprofit organization) as of June 30, 2004 and 2003, 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 the Kentucky High School Athletic Association at June 30, 2004 and 2003, and the results of its activities and 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 supplemental data included in this report 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
August 12, 2004

KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Assets		
Cash:		
Operating account	\$ 794,358	\$ 644,181
Dawahares Hall of Fame Project	151,694	100,924
Investments, unrestricted	401,682	400,000
Investments restricted for debt repayment	245,543	248,158
Accounts receivable	101,301	93,853
Prepaid insurance		3,553
Land, buildings, and equipment, net of accumulated depreciation	2,774,695	2,831,480
Debt issuance cost, net of amortization	33,225	42,718
Total assets	\$ 4,502,498	\$ 4,364,867
Liabilities		
Accounts payable	\$ 188,174	\$ 63,900
Accrued wages	19,955	12,182
Deferred revenues	246,012	207,697
Accrued sick leave	82,387	73,013
Notes payable	725,273	904,852
Total Liabilities	1,261,801	1,261,644
Net Assets		
Unrestricted:		
Operating	2,615,587	2,521,489
Board designated	385,110	357,734
Debt service reserve	224,000	224,000
Total unrestricted	3,224,697	3,103,223
Temporarily restricted	16,000	
Total net assets	3,240,697	3,103,223
Total liabilities and net assets	\$ 4,502,498	\$ 4,364,867

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, 2004 and 2003

	2004	2003
Changes in unrestricted net assets:		
Revenues, gains and support:		
Boys state basketball tournament	\$ 1,545,371	\$ 1,282,692
Member fees	485,500	452,291
Girls state basketball tournament	297,995	233,138
Football playoffs	288,457	214,207
Other tournaments	382,603	306,039
Interest earned	6,051	14,185
Hall of fame events	53,471	39,797
Public and other support	320,198	277,460
Advertising and publications	13,895	22,702
Total unrestricted revenues, gains and support	3,393,541	2,842,511
Net assets released from restrictions		143,553
Expenses and losses:		
General and administrative	2,144,012	1,944,616
Boys state basketball tournament	505,227	419,553
Other tournaments	304,843	265,680
Girls state basketball tournament	150,708	127,756
Football playoffs	89,090	75,430
Hall of fame events	51,564	28,265
Fundraising	26,623	23,247
Total expenses and losses	3,272,067	2,884,547
Increase in unrestricted net assets	121,474	101,517
Changes in temporarily restricted net assets:		
Contributions	16,000	
Net assets released from restrictions		(143,553)
Increase (decrease) in temporarily restricted net assets	16,000	(143,553)
Increase (decrease) in net assets	137,474	(42,036)
Net assets, beginning of year	3,103,223	3,145,259
Net assets, end of year	\$ 3,240,697	\$ 3,103,223

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, 2004 and 2003

	2004	2003
Cash flows from operating activities:		
Increase (decrease) in net assets:	\$ 137,474	\$ (42,036)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation and amortization	105,013	104,569
Change in:		
Accounts receivable	(7,447)	(15,532)
Prepaid insurance	3,553	3,553
Accounts payable	108,355	21,962
Unearned revenues	38,315	126,297
Accrued expenses	17,147	23,523
Net cash provided by operating activities	402,410	222,336
Cash flows from investing activities:		
Purchase of building improvements and equipment	(22,817)	(191,731)
Transfer to account for Dawahares Hall of Fame Project	(50,770)	(50,713)
Purchase of investments	(493,938)	(1,358,752)
Maturity of investments	494,871	1,669,222
Net cash provided (used) by investing activities	(72,654)	68,026
Cash flows from financing activities:		
Reduction of debt	(179,579)	(341,995)
Net cash (used) by financing activities	(179,579)	(341,995)
Change in cash and cash equivalents	150,177	(51,633)
Cash and cash equivalents, beginning of year	644,181	695,814
Cash and cash equivalents, end of year	\$ 794,358	\$ 644,181
Supplemental Data:		
Cash paid for interest during the year	\$ 44,421	\$ 62,004
Non cash interest expense	\$ 5,874	\$ 3,428
Supplemental Schedule of Noncash Activity:		
Purchase of Fixed Assets Included in Accounts Payable	\$ 15,919	\$

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, 2004 and 2003

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities. The 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

KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2004 and 2003

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

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:

- a. Unrestricted net assets encompass the portion of net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations,
- b. 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.
- c. 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, 2004, the carrying amount of the Associations' cash deposits with banks was \$946,052, and the actual bank balance was \$1,048,276. Of the bank balance, \$216,585 was covered by federal depository insurance, and \$831,703 was collateralized in conjunction with other public service accounts by designated funds at Fifth Third Bank.

3. Investments

Investments at June 30, 2004 and 2003 are summarized as follows:

Type of Investment	2004	2003
Money market account - Board designated funding	\$ 401,682	\$ 400,000
Money market account - Debt service repayment	245,543	23,887
U.S. Treasury Note - Debt Service repayment	224,271	224,271
Totals	<u>\$ 647,225</u>	<u>\$ 648,158</u>

KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2004 and 2003

Total investment return for the years ended June 30, 2004 and 2003 are as follows:

	<u>2004</u>	<u>2003</u>
Interest earned on money market accounts	\$ 3,811	\$ 10,863

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. Interest is earned at a rate of .217% on the repurchase balance.

4. Land, Buildings, & Equipment

Land, buildings, and equipment for the years ended June 30, 2004 and 2003 consist of the following:

	<u>2004</u>	<u>2003</u>
Land	\$ 431,341	\$ 431,341
Building	3,192,225	3,192,225
Equipment	407,896	369,162
	4,031,462	3,992,728
Accumulated depreciation	(1,256,767)	(1,161,248)
	<u>\$ 2,774,695</u>	<u>\$ 2,831,480</u>

Depreciation expense for the years ended June 30, 2004 and 2003 was \$95,520 and \$95,812, respectively.

5. Deferred Revenues

Deferred revenues for the years ended June 30, 2004 and 2003 consist of the following:

	<u>2004</u>	<u>2003</u>
Unearned dues paid by member schools	\$ 72,600	35,200
Unearned portion of Dawahares Hall of Fame Support	121,262	83,428
Unearned registration fees paid by officials	52,150	89,069
	<u>\$ 246,012</u>	<u>\$ 207,697</u>

In 2003, the Association entered into an agreement with Dawahares to ensure the long-term financial success of the Hall of Fame projects. Under the Agreement, the premium amount paid by Dawahares for the sponsorship is \$20,000 per year for ten years, with the option of pre-payment in three consecutive \$50,000 payments. Dawahares elected the sponsorship prepayment, which reduced the amount by 25% to a total of \$150,000. Deferred revenue on the Dawahares' contract for the years ended June 2004 and 2003 totaled \$121,262 and \$83,428, respectively. In return, Dawahares receives a variety of advertising at various tournaments, which is recognized as advertising revenue at year-end

KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION
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For the Years Ended June 30, 2004 and 2003

against the unearned portion. Interest expense on the Dawahares contract for the years ended June 30, 2004 and 2003 totaled \$5,874 and \$3,428, 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, 2004 and 2003, the estimated accrued sick leave liability is \$82,387 and \$73,013, 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 fifteen 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 \$725,273 and \$904,852 at June 30, 2004 and 2003, respectively.

The terms of the loan agreement require, among other covenants, the following:

- Annual audited financial statements,
- Prior written consent before assets, applicable to the loan, are transferred, pledged or encumbered,
- Maintenance of nonprofit and tax exempt status,
- Prior approval of additional indebtedness greater than \$50,000,
- Cash flow coverage of 1.2 to 1, and
- Maintenance of a debt service reserve fund.

Cash flow coverage is defined as the ratio of the sum of the increase in net assets plus depreciation plus interest expense to the sum of current maturities of long-term debt plus interest expense, as such appear on the audited financial statement. The Association had a cash flow coverage ratio of 1.20 to 1 for the year ended June 30, 2004 and .50 to 1 for the year ended June 30, 2003.

The debt service reserve fund is required to be "the least of (i) maximum annual debt service on the Bonds, (ii) 125% of average annual debt service on the Bonds or (iii) 10% of the principal amount of the Bonds, provided that in no event shall any portion of the Debt Service Reserve Fund funded with proceeds from the sale of the bonds exceed 10% of the sale proceeds of the Bonds." At June 30, 2004

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NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2004 and 2003

and 2003, the debt service reserve was \$224,000, using option (i) and the required debt service reserve at June 30, 2004 and 2003 was \$72,527 and \$90,485, respectively.

The expected principal payments over the next five year period and thereafter are as follows:

<u>Fiscal Year</u>	<u>Principal Obligation</u>
2005	\$ 188,931
2006	199,538
2007	210,741
2008	126,063
2009	<u>-0-</u>
	<u>\$ 725,273</u>

Interest expense on this note for the years ended June 30, 2004 and 2003 totaled \$44,421 and \$62,004, respectively. Debt issuance costs of \$120,331 associated with the issuance of the debt are amortized over the life of the loan (15 years) and are presented on the balance sheet net of amortization. The balance for the years ended June 30, 2004 and 2003 is \$33,225 and \$42,718, 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 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 year ended June 30, 2004 and 2003 was \$334,183 and \$321,311, 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.

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

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NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2004 and 2003

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

	Required Employee Contribution	Required Employer Contribution	Required Total Contribution	Percentage of Required Contribution Actually Made
2004	\$ 33,321	\$ 44,286	\$ 77,607	100%
2003	31,175	41,297	72,472	100%
2002	31,202	41,491	72,693	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.

- 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.

KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2004 and 2003

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, 2004 and 2003 was \$167,832 and \$165,400, 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 year ended June 30, 2004 and 2003, 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 5.89% of members' non-hazardous compensation for the year ended June 30, 2004 and 2003.

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>
2004	\$ 8,722	\$ 9,922	\$ 18,644	100%
2003	8,058	9,509	17,567	100%
2002	8,114	8,465	16,579	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.

9. Temporarily Restricted and Board Designated Net Assets

Temporarily restricted net assets are restricted for the National City Bank scholarships, and totaled \$16,000 and \$-0- at June 30, 2004 and 2003, respectively.

KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2004 and 2003

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

	<u>2004</u>	<u>2003</u>
Debt prepayment	\$ 5,000	\$ (5,000)
Museum development	15,676	21,094
Trademark/Novelty reserve	55,704	55,506
Officials division	16,672	26,354
Plant emergencies	102,261	48,925
Equipment replacement	60,203	63,899
Training/development reserve	31,404	34,230
Title IX Project	84,411	50,642
Legal expense	-0-	50,000
Sportsmanship Scholarships	10,564	11,434
Sportsmanship Awards	<u>3,215</u>	<u>650</u>
	<u>\$ 385,110</u>	<u>\$ 357,734</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, 2004 and 2003 are as follows:

	<u>2004</u>	<u>2003</u>
Vehicles	\$ 12,400	\$ 17,550
Phones	<u>12,558</u>	<u>10,921</u>
	<u>\$ 24,958</u>	<u>\$ 28,471</u>

11. Concentrations of Credit Risk

Major Activities. The Association earned \$1,545,371 and \$1,282,692 in gross revenue from the Boys State Basketball Tournament for the years ended June 30, 2004 and 2003, respectively. This represents approximately 46% and 45% of the Association's total gross revenues and support for 2004 and 2003, respectively.

The Association earned \$485,500 and \$452,291 in fees from member schools and officials for the years ended June 30, 2004 and 2003, respectively. These fees represent approximately 14% and 16% of the Association's total gross revenues and support for 2004 and 2003, respectively.

SUPPLEMENTAL DATA

KENTUCKY HIGH SCHOOL ATHLETIC ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2004
with Comparative Totals for the Year Ended June 30, 2003

	General & Admin.	Boys State		Girls State		Hall of Fame		Cross Country		Tennis		Soccer		Softball		Golf		Other Sports		Fund Raising		2004 Total Expenses		2003 Total Expenses	
		Boys State Basketball Tournament	Boys State Basketball	Girls State Basketball Tournament	Girls State Basketball	Track Events	Events	Country	Country	Country	Tennis	Tennis	Soccer	Soccer	Softball	Softball	Golf	Golf	Other Sports	Other Sports	Fund Raising	Fund Raising	2004 Total	2004 Total	2003 Total
Personnel	\$ 723,857	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 723,857	\$	\$ 687,189	
Professional fees	341,445																					341,445		243,332	
Tournament facility rental		206,489	7,943		29,650	3,483		9,278	14,556	3,318	1,500	7,938										285,386		249,379	
Printing and publications	143,994	38,411	22,245	17,361	4,127	2,187	2,354	3,004	2,168	12,232												249,160		223,330	
Other event costs	76,603	25,604	15,896	9,023	6,546	51,564	1,344	3,462	1,176	23,941	235											221,279		167,523	
Team expenses and awards		47,953	51,378	14,620	16,077		6,188	10,283	23,766	5,773												218,580		224,467	
Insurance	191,832																					191,832		145,994	
Tournament workers		19,729	21,856	12,512	15,106		4,663	10,984	10,582	4,185												138,642		127,054	
Miscellaneous	107,911																					107,911		105,907	
Radio network		73,570	22,096	2,811															1,925			100,402		105,083	
Sponsorship expense		88,201	7,736																			96,472		8,114	
Depreciation	95,520																					95,520		95,812	
Clinics and officials' expenses	66,650																					66,650		68,848	
Board of Control	59,505																					59,505		42,294	
Utilities and telephone	58,579																					58,579		56,611	
Repairs and maintenance	53,650																					53,650		76,685	
Interest expense	50,295																					50,295		65,432	
Postage	46,806																					46,806		40,310	
Dues	43,270																					43,270		40,610	
Sales commissions		5,253	1,058	2,193			300	261											320		26,388	35,773		32,012	
Professional development	30,141																					30,141		18,338	
Auto usage	24,958																					24,958		28,471	
Administrative travel	19,503																					19,503		16,989	
Amortization of debt cost	9,493																					9,493		8,757	
Audio visual expense		17	500	920				530	399	592												2,958		6,006	
Total expenses	\$ 2,144,012	\$ 505,227	\$ 150,708	\$ 89,090	\$ 45,339	\$ 51,564	\$ 23,960	\$ 42,450	\$ 42,710	\$ 14,802	\$ 118,243	\$ 26,623	\$ 3,272,067	\$ 2,884,547											