



Financial Statements
June 30, 2021 and 2020

Oklahoma Secondary Schools Activities Association

Oklahoma Secondary Schools Activities Association

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June 30, 2021 and 2020

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Independent Auditor's Report

To the Board of Directors
Oklahoma Secondary Schools Activities Association
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of Oklahoma Secondary Schools Activities Association (the Association), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Secondary Schools Activities Association as of June 30, 2021 and 2020, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 16 through 18 is presented for the purposes of additional analysis and is 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 information has been subjected to the auditing procedures applied in the audits 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2021 on our consideration of the Oklahoma Secondary Schools Activities Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oklahoma Secondary Schools Activities Association's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Oklahoma City, Oklahoma
September 3, 2021

Oklahoma Secondary Schools Activities Association

Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 1,018,843	\$ 697,209
Certificates of deposit	2,018,969	1,797,437
Investments	259,787	199,484
Accounts receivable	104,053	71,912
Prepaid expenses and other assets	8,638	30,257
Property and equipment, net	839,881	907,883
Total assets	\$ 4,250,171	\$ 3,704,182
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 130,694	\$ 221,374
Paycheck protection program loan	263,870	263,800
Total liabilities	394,564	485,174
Net Assets		
Without donor restrictions	3,855,607	3,219,007
Total liabilities and net assets	\$ 4,250,171	\$ 3,704,181

Oklahoma Secondary Schools Activities Association

Statements of Activities

Years Ended June 30, 2021 and 2020

	2021	2020
Revenue, Support, and Gains		
Activities	\$ 4,731,224	\$ 3,752,639
Corporate sponsorship	463,850	372,222
Official's fees and camp	155,880	181,003
Royalties	149,286	50,023
School playoff passes	-	4,200
Championship passes	21,870	29,125
Net investment return	91,072	25,046
In-kind contributions	24,697	24,697
Insurance recoveries	2,390	1,522
Contribution revenue	263,800	-
Miscellaneous	171,719	60,688
Total revenue, support, and gains	6,075,788	4,501,165
Expenses and Losses		
Program services expense	5,114,560	4,507,561
Management and administrative	324,628	355,033
Total expenses and losses	5,439,188	4,862,594
Change in Net Assets - Without Donor Restrictions	636,600	(361,429)
Net Assets, Beginning of Year	3,219,008	3,580,437
Net Assets, End of Year	\$ 3,855,608	\$ 3,219,008

Oklahoma Secondary Schools Activities Association

Statement of Functional Expenses

Year Ended June 30, 2021

	Program	Management and Administrative	Total
Activities	\$ 3,210,202	\$ -	\$ 3,210,202
Salaries and wages	1,014,954	179,109	1,194,063
Employee benefit programs	79,898	14,100	93,998
Pension fund	176,741	31,190	207,931
Payroll taxes	78,938	13,930	92,868
Telephone and internet	13,995	2,470	16,465
Postage	32,742	5,778	38,520
Utilities	16,727	2,952	19,679
Dues and subscriptions	2,631	464	3,095
Bldg. and equip. maintenance	11,948	2,108	14,056
Insurance	211,243	37,278	248,521
Board of directors	212	212	424
Committees and meeting costs	19,663	2,185	21,848
Legal fees	74,910	3,943	78,853
Professional fees - other	22,192	3,916	26,108
Official's expense	24,779	-	24,779
Data processing	10,707	1,890	12,597
Depreciation	57,802	10,200	68,002
Printing	18,635	3,288	21,923
Office and other	13,154	2,321	15,475
Automobile	22,487	3,968	26,455
Courtesy fund	-	3,326	3,326
	\$ 5,114,560	\$ 324,628	\$ 5,439,188

Oklahoma Secondary Schools Activities Association

Statement of Functional Expenses

Year Ended June 30, 2020

	Program	Management and Administrative	Total
Activities	\$ 2,536,835	\$ -	\$ 2,536,835
Salaries and wages	1,036,572	182,925	1,219,497
Employee benefit programs	80,144	14,143	94,287
Pension fund	170,556	30,098	200,654
Payroll taxes	78,069	13,777	91,846
Telephone and internet	15,284	2,697	17,981
Postage	28,793	5,081	33,874
Utilities	18,204	3,212	21,416
Dues and subscriptions	2,631	464	3,095
Bldg. and equip. maintenance	16,530	2,917	19,447
Insurance	249,935	44,106	294,041
Board of directors	13,803	13,803	27,606
Committees and meeting costs	36,204	4,023	40,227
Legal fees	38,802	2,042	40,844
Professional fees - other	23,980	4,232	28,212
Official's expense	8,028	-	8,028
Data processing	10,087	1,780	11,867
Depreciation	60,628	10,699	71,327
Printing	33,825	5,969	39,794
Office and other	21,139	3,730	24,869
Automobile	27,512	4,855	32,367
Courtesy fund	-	4,481	4,481
	\$ 4,507,561	\$ 355,034	\$ 4,862,595

Oklahoma Secondary Schools Activities Association

Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 636,600	\$ (361,430)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	68,002	71,327
Advances of paycheck protection program loan	263,870	263,800
Paycheck protection program loan forgiveness	(263,800)	-
Realized and unrealized (gain) loss on operating investments	(60,303)	3,032
Changes in operating assets and liabilities		
Accounts receivable	(32,141)	17,997
Prepaid expenses and other assets	21,619	(63)
Accounts payable and accrued liabilities	(90,680)	92,239
Deferred revenue	-	(5,702)
Net Cash from Operating Activities	543,167	81,200
Cash Flows from Investing Activities		
Purchases of certificates of deposit	(1,844,737)	(1,618,037)
Maturities of certificates of deposit	1,623,205	1,490,777
Purchases of property and equipment	-	(72,830)
Net Cash used for Investing Activities	(221,532)	(200,090)
Net Change in Cash and Cash Equivalents	321,635	(118,890)
Cash and Cash Equivalents, Beginning of Year	697,208	816,098
Cash and Cash Equivalents, End of Year	\$ 1,018,843	\$ 697,208

Note 1 - Principal Activity and Significant Accounting Policies**Organization**

The Oklahoma Secondary Schools Activities Association (the "Association") is a not-for-profit organization whose mission is to provide support to secondary schools in Oklahoma for athletics, activities and other services. The Association's primary source of revenue is from event revenue, corporate sponsorships, and officials' fees. The Association falls under the regulations of the Oklahoma Extracurricular Activities Accountability Act.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

Cash and cash equivalents include various checking accounts. The Association considers cash equivalents to be all highly liquid debt instruments with a maturity of three months or less.

Receivables and Credit Policies

Receivables primarily consist of amounts due from corporate sponsorships and royalty agreements and are non-interest bearing. At June 30, 2021 and 2020, management considered all receivables to be fully collectible; therefore, no allowance was considered necessary.

Property and Equipment

The cost of property, furniture and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method based on the following useful lives:

Buildings and improvements	20-40 years
Furniture and fixtures	7-10 years
Equipment	3-15 years
Transportation equipment	5 years

Maintenance and repairs which do not improve or extend the useful life of the asset are expensed when incurred. Additions and betterments in excess of \$1,000 are capitalized.

The Association records impairments to property and equipment when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated lives. Impairments are recorded to reduce the carrying value of the assets to their estimated fair values determined by the Association based on facts and circumstances in existence at the time of the determination, estimates of probable future economic conditions, and other information. No impairments were recorded in 2021 or 2020.

Investments

The Association invests in certificates of deposit and mutual funds. Interest, dividends, and unrealized and realized gains and losses less external and direct internal investment expenses are reported as net investment return in the statement of activities. Mutual funds are recorded at fair value and certificates of deposits are recorded at cost.

The maturity dates of the certificates of deposit range from August 4, 2021 to April 29, 2024 and have interest rates that range from 0.30% to 2.25%.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Association has no net assets with donor restrictions as of June 30, 2021 and 2020.

Revenue and Revenue Recognition

Activity fees are collected and recognized over the duration period, which is generally one season, during which time member schools have continuous access to facilities, officials, equipment, and certain community events. The revenue from activity fees is used to cover the costs of operating the related activities and the Association, maintaining the common elements and improvements, and providing for facility repair and replacement. Official's fees are collected and recognized over the duration period, which is generally one season, during which time individuals can officiate the Association's sporting events. Activity and official's fees paid in advance are deferred to the period to which they relate. As of June 30, 2021 and 2020, there were no significant deferred revenues.

The Association recognizes activity revenue at the time of admission to the related events. Contract revenue from corporate sponsorships and royalty agreements is recognized when realized and earned.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Association's program services; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Oklahoma Secondary Schools Activities Association records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended June 30, 2021 and 2020.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and maintenance which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Association has been ruled tax exempt by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Association does not believe it has engaged in any activity that would result in an uncertain tax position. As a result management does not believe that any uncertain tax positions currently exist and no loss contingency has been recognized in the accompanying financial statements. Tax statutes dictate that tax returns filed in any previous three reporting periods remain open to federal or state examination. Currently there are no open examinations with either the Internal Revenue Service or state taxing authorities.

Management believes that the Association has appropriate support for any tax positions taken affecting its annual filing requirements. Certain transactions of the Association are currently under review for potential unrelated business tax income but currently, these tax positions are not expected to be material to the financial statements.

The Association would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Association manages deposit concentration risk by placing cash, mutual funds, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in mutual funds. To date, Oklahoma Secondary Schools Activities Association has not experienced losses in any of these accounts.

Credit risk associated with accounts receivable is considered to be limited due to long-standing relationships with those companies and subsequent collection of those accounts.

Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for Oklahoma Secondary Schools Activities Association.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2021:

Cash and cash equivalents	\$ 1,018,843
Certificates of Deposit (CDs)	2,018,969
Accounts receivable	104,053
Investments	<u>259,787</u>
Total financial assets	3,401,652
Less: CDs with maturities beyond one year	<u>(178,526)</u>
Financial assets available for general expenditure	<u><u>\$ 3,223,126</u></u>

As part of a liquidity management plan, cash in excess of daily requirements is invested in mutual funds and CDs.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that Oklahoma Secondary Schools Activities Association can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, Oklahoma Secondary Schools Activities Association develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to Oklahoma Secondary Schools Activities Association's assessment of the quality, risk or liquidity profile of the asset.

Assets measured at fair value on a recurring basis consist of mutual funds held by the Association. Mutual funds are valued based on quoted market prices from active markets which the Association has access. Certificates of deposit are not listed below as such amounts are held at cost which approximates fair value.

Oklahoma Secondary Schools Activities Association

Notes to Financial Statements

June 30, 2021 and 2020

The following table summarizes the valuation of the Association's assets by fair value hierarchy levels as of June 30, 2021 and 2020:

	2021			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds	\$ 259,787	\$ 259,787	\$ -	\$ -
	2020			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds	\$ 199,484	\$ 199,484	\$ -	\$ -

Note 4 - Property and Equipment

Property and equipment consists of the following at June 30, 2021 and 2020:

	2021	2020
Land	\$ 361,824	\$ 361,824
Buildings and improvements	982,940	982,940
Furniture and fixtures	108,654	108,654
Equipment	109,529	109,529
Transportation equipment	200,724	200,724
	1,763,671	1,763,671
Less accumulated depreciation and amortization	(923,790)	(855,788)
	\$ 839,881	\$ 907,883

Depreciation expense totaled \$68,002 and \$71,327 for the years ended June 30, 2021 and 2020, respectively.

Note 5 - Leases

The Association leases copier and postage equipment under lease agreements expiring through October 10, 2024. The related total future minimum lease payments are below:

<u>Years Ending June 30</u>	<u>Leases</u>
2022	\$ 8,222
2023	7,551
2024	4,200
2025	1,400
2026	-
	<u> </u>
Total minimum lease payments	<u><u>\$ 21,373</u></u>

Note 6 - Employee Benefits

The Association has adopted a Simplified Employee Pension Plan (a "SEP") to provide benefits to all eligible employees. All Association employees who have been employed for six months and who have reached twenty-one years of age are eligible participants; however, the employer contribution is discretionary. Employee contributions to these accounts are not permitted. The Association's contribution for the year ended June 30, 2021 and 2020 were \$207,931 and \$200,654, respectively, included in pension fund expense.

Note 7 - Contingencies

The Association is responsible for establishing, monitoring and enforcing the guidelines for participation as approved by its membership. At times, the Association is named in litigation challenging the Association's ruling and seeking monetary damages and attorney costs. The Association maintains insurance for potential losses with a deductible of \$50,000 per occurrence at June 30, 2021. In management's opinion, the resolution of litigation matters, if any, would not have a material effect on the financial position of the Association at June 30, 2021 and 2020.

Note 8 - Paycheck Protection Program (PPP) loan

The Association was granted a \$263,800 loan under the PPP administered by a Small Business Administration (SBA) approved partner in April 2020 which was formally forgiven by the SBA on December 1, 2020. In January 2021, the Association was granted a second loan for \$263,870 under the same program. The loans are uncollateralized and are fully guaranteed by the Federal government. The Association is eligible for loan forgiveness of up to 100% of the loans, upon meeting certain requirements.

The Association has elected to account for the funding as a conditional contribution by applying ASC 958-605, *Not-for-Profit – Revenue Recognition*. The Association initially recorded the loans as a refundable advance and records the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. Proceeds from the loans are eligible for forgiveness if they are used for certain payroll, rent, and utility expenses. The Association will be required to repay any remaining balance, plus interest accrued at 1 percent in monthly payments commencing 10 months after the date of the loan, principal and interest payments will be required through the maturity date. The terms of the loans provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The loans may be accelerated upon the occurrence of an event of default. The Association recognized \$263,800 as contribution revenue for the year ended June 30, 2021 after formal notification was received from the SBA that their first PPP loan was forgiven.

Note 9 - Subsequent Events

On August 6, 2021, the Association received notice from the SBA that their second PPP loan for \$263,870 was formally forgiven by the SBA.

Subsequent events have been evaluated through September 3, 2021, the date the financial statements were available to be issued.



Supplementary Information
June 30, 2021 and 2020

Oklahoma Secondary Schools Activities Association

Oklahoma Secondary Schools Activities Association

Detailed Activity Schedule

Year Ended June 30, 2021

	Site Revenue/ Expenditures	Other Revenue/ Expenditures	Total
Basketball			
Revenue	\$ 1,538,625	\$ 33,920	\$ 1,572,545
Expenditures	1,236,901	16,148	1,253,049
Net	301,724	17,772	319,496
Football			
Revenue	987,214	12,120	999,334
Expenditures	651,625	15,603	667,228
Net	335,589	(3,483)	332,106
Music			
Revenue	178,688	9,800	188,488
Expenditures	173,856	7,551	181,407
Net	4,832	2,249	7,081
Softball			
Revenue	408,514	18,960	427,474
Expenditures	167,819	1,799	169,618
Net	240,695	17,161	257,856
Baseball			
Revenue	399,039	14,430	413,469
Expenditures	195,901	3,240	199,141
Net	203,138	11,190	214,328
Track			
Revenue	141,490	49,200	190,690
Expenditures	102,309	37	102,346
Net	39,181	49,163	88,344
Speech			
Revenue	23,633	5,040	28,673
Expenditures	21,455	-	21,455
Net	2,178	5,040	7,218
Wrestling			
Revenue	119,132	15,050	134,182
Expenditures	123,300	2,555	125,855
Net	(4,168)	12,495	8,327

Oklahoma Secondary Schools Activities Association

Detailed Activity Schedule

Year Ended June 30, 2021

	Site Revenue/ Expenditures	Other Revenue/ Expenditures	Total
Cheerleading			
Revenue	\$ 50,180	\$ 5,300	\$ 55,480
Expenditures	32,882	1,940	34,822
Net	17,298	3,360	20,658
Game Day Cheerleading			
Revenue	86,047	13,200	99,247
Expenditures	30,598	-	30,598
Net	55,449	13,200	68,649
Soccer			
Revenue	246,409	8,800	255,209
Expenditures	63,868	2,142	66,010
Net	182,541	6,658	189,199
Golf			
Revenue	-	58,815	58,815
Expenditures	54,871	-	54,871
Net	(54,871)	58,815	3,944
Swimming and Diving			
Revenue	32,530	4,080	36,610
Expenditures	31,439	348	31,787
Net	1,091	3,732	4,823
Tennis			
Revenue	62,430	7,000	69,430
Expenditures	38,034	-	38,034
Net	24,396	7,000	31,396
Cross Country			
Revenue	93,108	21,480	114,588
Expenditures	50,229	100	50,329
Net	42,879	21,380	64,259
Volleyball			
Revenue	52,810	4,360	57,170
Expenditures	33,685	3,015	36,700
Net	19,125	1,345	20,470

Oklahoma Secondary Schools Activities Association

Detailed Activity Schedule

Year Ended June 30, 2021

	Site Revenue/ Expenditures	Other Revenue/ Expenditures	Total
Academic			
Revenue	\$ 4,400	\$ 24,825	\$ 29,225
Expenditures	44,842	-	44,842
Net	<u>(40,442)</u>	<u>24,825</u>	<u>(15,617)</u>
Other			
Revenue	-	595	595
Expenditures	74,734	27,376	102,110
Net	<u>(74,734)</u>	<u>(26,781)</u>	<u>(101,515)</u>
Totals			
Revenue	4,424,249	306,975	4,731,224
Expenditures	<u>3,128,348</u>	<u>81,854</u>	<u>3,210,202</u>
Net	<u>\$ 1,295,901</u>	<u>\$ 225,121</u>	<u>\$ 1,521,022</u>



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Oklahoma Secondary Schools Activities Association
Oklahoma City, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Oklahoma Secondary Schools Activities Association (the Association), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Oklahoma City, Oklahoma
September 3, 2021