

**Massachusetts Interscholastic  
Athletic Association, Inc.**

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**Financial Statements**

**Years Ended June 30, 2024 and 2023**

**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

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# HALKIADAKIS & CO

## CERTIFIED PUBLIC ACCOUNTANTS

### **Independent Auditors' Report**

To The Board of Directors  
Massachusetts Interscholastic  
Athletic Association, Inc.  
Franklin, Massachusetts

#### **Opinion**

We have audited the accompanying financial statements of Massachusetts Interscholastic Athletic Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Massachusetts Interscholastic Athletic Association, Inc. as of June 30, 2024 and 2023, and the changes in it's net assets and it's cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Massachusetts Interscholastic Athletic Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Massachusetts Interscholastic Athletic Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted accounting standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted accounting standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Massachusetts Interscholastic Athletic Association, Inc.'s internal control. Accordingly, no opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Massachusetts Interscholastic Athletic Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Halkiadakis & Co. PC*

Wellesley, MA  
November 12, 2024

**MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,461,555	\$ 1,632,394
Investments	2,001,368	1,284,639
Accounts receivable	145,969	188,666
Prepaid expenses	20,092	9,036
Due from related party	2,156	1,807
Total Current Assets	3,631,140	3,116,542
<b>Property and equipment, net</b>	1,400,180	1,170,454
<b>Other Assets:</b>		
Designated investments	169,794	158,386
Cash surrender value life insurance	40,300	38,540
Postretirement benefits-over funded	1,069,705	971,430
Pension benefits-over funded	449,120	140,273
Total Assets	\$ 6,760,239	\$ 5,595,625

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 522,413	\$ 487,827
Deferred revenue	28,435	8,850
Postretirement obligations, current portion	9,824	10,272
Total Current Liabilities	560,672	506,949
<b>Noncurrent Liabilities:</b>		
Accrued vacation and sick pay	251,180	199,160
EIDL SBA Loan	150,000	150,000
Total Noncurrent Liabilities	401,180	349,160
<b>Total Liabilities – balance carried forward</b>	\$ 961,852	\$ 856,109

**MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Total Liabilities</b> brought forward	\$ 961,852	\$ 856,109
<b>Net Assets:</b>		
Without donor restrictions		
Undesignated	5,627,441	4,556,470
Board designated for endowment fund	<u>56,511</u>	<u>56,511</u>
Total without donor restrictions	5,683,952	4,612,981
With donor restrictions	<u>114,435</u>	<u>126,535</u>
Total Net Assets	<u>5,798,387</u>	<u>4,739,516</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 6,760,239</u>	<u>\$ 5,595,625</u>

**MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b><u>Changes in Net Assets Without Donor Restrictions</u></b>		
<b><u>Revenue and Support</u></b>		
Athletic events	\$ 3,978,180	\$ 3,849,950
Membership dues	1,270,800	1,267,500
Corporate partnerships	786,417	737,902
Educational athletics	261,289	271,933
Grant income - educational athletics	199,072	200,000
Conferences and workshops	41,620	44,830
Rules publication	13,919	32,211
Miscellaneous income	4,815	5,607
Bad debt recovered	-	44,000
	6,556,112	6,453,933
<b><u>Expenses</u></b>		
Program services:		
Athletic events	3,867,292	3,719,162
Educational athletics	674,522	689,617
Other programs	77,096	164,384
Total program expense	4,618,910	4,573,163
General and administrative	1,245,850	1,320,813
Fundraising	21,437	23,080
	5,886,197	5,917,056
<b>Increase (Decrease) in net assets from operations</b>		
- balance carried forward	669,915	536,877

**MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.**  
**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Balance</b> brought forward	\$ 669,915	\$ 536,877
<b><u>Other Revenue (Expenses) without Donor Restrictions</u></b>		
Rental income	58,000	58,000
Investment return, net	128,137	54,088
Interest expense	<u>(4,354)</u>	<u>(11,765)</u>
Total other unrestricted revenue (expenses)	<u>181,783</u>	<u>100,323</u>
<b><u>Increase (Decrease) in Net Assets without Donor Restrictions from Operating Activities</u></b>	851,698	637,200
<b><u>Postretirement Benefit Changes Other Than Net Periodic Pension Costs</u></b>	<u>219,273</u>	<u>281,240</u>
<b><u>Increase (Decrease) in Net Assets without Donor Restrictions</u></b>	<u>1,070,971</u>	<u>918,440</u>
<b><u>Change in Net Assets With Donor Restrictions</u></b>		
Contributions – Endowment Fund	9,900	12,510
Less: Endowment scholarships	<u>(22,000)</u>	<u>(18,000)</u>
Increase (Decrease) in net assets with donor restrictions	(12,100)	(5,490)
Increase (decrease) in net assets	1,058,871	912,950
<b>Net Assets, Beginning of Year</b>	<u>4,739,516</u>	<u>3,826,566</u>
<b>Net Asset, End of Year</b>	<u>\$ 5,798,387</u>	<u>\$ 4,739,516</u>



**MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services		Supporting Services			
	-----June 30, 2024-----					
	<u>Athletic Events</u>	<u>Educational Athletics</u>	<u>Other Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Athletic events	\$ 3,627,973	\$ -	\$ -	\$ 41,500	\$ -	\$ 3,669,473
Educational athletics	-	384,423	-	-	3,883	388,306
Game officials	-	69,965	-	-	-	69,965
Conferences and workshops	-	-	40,136	-	-	40,136
Salaries	58,630	105,150	26,009	559,200	13,005	761,994
Insurance and employee benefits	48,320	30,749	2,929	62,963	1,464	146,425
Payroll taxes and administration	40,327	25,662	2,444	52,546	1,222	122,201
Depreciation	37,934	24,140	2,299	50,577	-	114,950
Office operations	-	-	-	184,438	1,863	186,301
Buildings and grounds	54,108	34,433	3,279	72,145	-	163,965
Other professional fees	-	-	-	76,847	-	76,847
Legal and accounting	-	-	-	84,238	-	84,238
Committee meetings	-	-	-	8,493	-	8,493
National meetings	-	-	-	33,290	-	33,290
Miscellaneous	-	-	-	17,654	-	17,654
MIAA handbooks	-	-	-	1,959	-	1,959
<b>Total</b>	<b><u>\$ 3,867,292</u></b>	<b><u>\$ 674,522</u></b>	<b><u>\$ 77,096</u></b>	<b><u>\$ 1,245,850</u></b>	<b><u>\$ 21,437</u></b>	<b><u>\$ 5,886,197</u></b>

**MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services			Supporting Services		
	-----June 30, 2023-----					
	<u>Athletic Events</u>	<u>Educational Athletics</u>	<u>Other Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Athletic events	\$ 3,409,985	\$ -	\$ -	\$ 37,000	\$ -	\$ 3,446,985
Educational athletics	-	396,275	-	-	4,003	400,278
Game officials	-	93,611	-	-	-	93,611
Conferences and workshops	-	-	31,739	-	-	31,739
Salaries	110,387	81,822	91,989	569,190	13,917	867,305
Insurance and employee benefits	79,287	47,028	16,216	100,335	2,453	245,319
Payroll taxes and administration	42,144	24,997	8,619	53,332	1,304	130,396
Depreciation	36,759	21,803	7,518	47,655	-	113,735
Office operations	-	-	-	138,790	1,403	140,193
Buildings and grounds	40,600	24,081	8,303	52,635	-	125,619
Other professional fees	-	-	-	70,577	-	70,577
Legal and accounting	-	-	-	215,115	-	215,115
Committee meetings	-	-	-	10,078	-	10,078
National meetings	-	-	-	6,079	-	6,079
Miscellaneous	-	-	-	17,891	-	17,891
MIAA handbooks	-	-	-	2,136	-	2,136
<b>Total</b>	<u>\$ 3,719,162</u>	<u>\$ 689,617</u>	<u>\$ 164,384</u>	<u>\$ 1,320,813</u>	<u>\$ 23,080</u>	<u>\$ 5,917,056</u>

**MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in net assets	\$ 1,058,871	\$ 912,950
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	114,950	113,734
Unrealized (gain) loss on investments	(39,042)	(38,973)
 (Increase) decrease in assets:		
Accounts receivable	42,697	202,650
Prepaid expenses	(11,056)	(2,821)
Due from related party	(349)	(1,611)
Cash surrender value life insurance	(1,760)	(1,761)
Postretirement benefits-over funded	(98,275)	(104,419)
Pension benefits-over funded	(308,847)	(140,273)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	34,586	57,060
Accrued postretirement benefits	51,572	(127,529)
Deferred revenue	19,585	(4,000)
Net cash provided (used) by operating activities	<u>862,932</u>	<u>865,007</u>
 <b><u>Cash Flows from Investing Activities</u></b>		
Proceeds from sales of investments	289,730	91,610
Purchase of investments	(978,825)	(806,725)
Acquisition of property and equipment	(344,676)	(61,963)
Net cash provided (used) by investing activities	<u>(1,033,771)</u>	<u>(777,078)</u>

**MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<b><u>Increase (Decrease) in Cash</u></b>	\$ (170,839)	\$ 87,929
<b><u>Cash and Cash Equivalents, Beginning of Year</u></b>	1,632,394	1,544,465
<b><u>Cash and Cash Equivalents, End of Year</u></b>	\$ 1,461,555	\$ 1,632,394

**Supplemental Information**

Cash paid for:		
Interest	\$ 4,354	\$ 1,923

# Massachusetts Interscholastic Athletic Association, Inc. June 30, 2024 and 2023

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies

#### Organization and Purpose

Massachusetts Interscholastic Athletic Association, Inc. (the “Association”) is a voluntary, nonprofit association organized by its member schools to provide leadership and support for the conduct of education-based athletics and activities designed to impart life lessons, and convey or reinforce values that will ensure an enhanced quality of life for all student participants.

Through its commitment to educational athletics the Association provides extensive programming in the areas of wellness, sportsmanship, citizenship, leadership and coaches’ education.

The Association's revenue comes primarily from athletic events, corporate partnerships, and membership dues.

#### Basis of Presentation

The Association prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), using the accrual method of accounting. Under this method expenses are recorded when incurred and revenues are recorded when earned. The Association reports information regarding its financial position and activities according to two classes of net assets based on the presence or absence of donor-imposed restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

#### Cash and Cash Equivalents

For purposes of these financial statements, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consist mainly of cash.

#### Investments

The Association follows ASC 958-320, *Not-for-Profit Entities – Investments – Debt and Equity Securities*. Under ASC 958-320 investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

# Massachusetts Interscholastic Athletic Association, Inc. June 30, 2024 and 2023

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (continued)

#### Accounts Receivable

Accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction to accounts receivable.

#### Property and Equipment

Property and equipment are recorded at cost. The Association capitalizes property and equipment with costs greater than \$5,000 and with useful lives in excess of one year. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are as follows:

Furniture and equipment	5 - 10 years
Building and improvements	10 - 33 years

Repairs and maintenance which do not extend the useful lives of the related assets are expensed as incurred.

#### Revenue Recognition

The Association's primary sources of income are athletic events, membership fees, corporate sponsorships, educational athletics, conferences and workshops, under either short-term receivable arrangements or prepayment of fees. Services are provided to high school athletic programs around the state of Massachusetts.

Revenue from contracts is recognized when control of the goods and services provided is transferred to the Association's customers and in an amount that reflects the consideration the Association expects to be entitled to in exchange for those goods and services using the following steps:

- 1) identification of the contract, or contracts with a customer
- 2) identification of performance obligation in the contract
- 3) determination of the transaction price
- 4) allocation of the transaction price to the performance obligations in the contract
- 5) recognition of revenue when or as the Association satisfies the performance obligations

**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

**Notes to Financial Statements**

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Note 1. Summary of Significant Accounting Policies (continued)

Deferred Revenue

Income from membership dues and program fees received in advance is deferred, and recognized over the periods to which the dues and fees relate.

Postretirement Benefits

FASB ASC 715 requires the Association to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in the statement of financial position and to recognize changes in funded status in the year in which the changes occur through changes in net assets without donor restrictions.

Fair Values of Financial Instruments

FASB ASC 825-10 requires the Association to disclose estimated fair values for its financial instruments. Fair value estimates, methods, and assumptions are set forth below for the Association's financial instruments:

The carrying amounts of cash, receivables, and accrued liabilities approximate fair value because of the relatively short maturity of those instruments. Marketable securities are valued at quoted prices in active markets.

Use of Estimates

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

Reclassifications

Certain reclassifications were made to the 2023 financial statements to conform to 2024 presentation.

**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

**Notes to Financial Statements**

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Note 2. Adoption of Accounting Standards

The Association adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)* during the year ended June 30, 2023. The ASU requires an entity (lessee) that leases assets for a term exceeding a one-year period to recognize a right-of-use asset and corresponding lease liability in the statements of financial position. ASU 2016-02 also requires entities to disclose in the footnotes to their financial statements information about the amount, timing and uncertainty for the payments they make for lease agreements. The Association has evaluated the new standard and determined that the impact on its existing leases is insignificant, therefore, no adjustments to the financial statements or additional disclosures were required. Any new leases the Association enters into in subsequent years will be evaluated using Topic 842 guidance.

Note 3. Concentration of Credit Risk

The Association maintains its cash accounts at a commercial bank and an investment company, which at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. Management believes the Association is not exposed to any significant credit risk related to cash.

The Association is significantly affected by market factors, including demand for and price of tickets. These factors are influenced by a variety of external forces, including weather conditions, enacted legislation, heightened security concerns, and corporate sponsorships.



**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

**Notes to Financial Statements**

Note 4. Cash and Cash Equivalents

The following table provides a reconciliation of cash and cash equivalents reported within The statement of financial position that sums to the amounts shown in the statement of cash flows:

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,461,555	\$ 1,632,394

Note 5. Investments

Investments are reported at aggregate fair value based on quoted market prices for those investments (Level 1 measurement). Unrealized gains and losses are included in earnings and reported in the statement of activities. The specific identification cost basis is used to determine realized gain or loss of securities. All securities are considered available for sale. Money market funds held within the brokerage accounts are treated as investments.

The Association held the following investments at June 30, 2024 and 2023:

	<u>June 30, 2024</u>		
	<u>Cost</u>	<u>Unrealized Gain or (Loss)</u>	<u>Market Value</u>
Equity and debt securities	\$ 2,065,445	\$ 85,649	\$ 2,151,094
Money market funds	20,068	-	20,068
	<u>\$ 2,085,513</u>	<u>\$ 85,649</u>	<u>\$ 2,171,162</u>
Designated to endowment fund	<u>(158,284)</u>	<u>(11,510)</u>	<u>(169,794)</u>
Investments available for sale	<u>\$ 1,927,229</u>	<u>\$74,139</u>	<u>\$2,001,368</u>

**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

**Notes to Financial Statements**

Note 5. Investments (continued)

	June 30, 2023		
	Cost	Unrealized Gain or (Loss)	Market Value
Equity and debt securities	\$ 1,380,948	\$ 46,606	\$ 1,427,554
Money market funds	15,471	-	15,471
	\$ 1,396,419	\$ 46,606	\$ 1,443,025
Designated to endowment fund	(155,010)	(3,376)	(158,386)
	\$ 1,241,409	\$ 43,230	\$ 1,284,639

Components of investment return are as follows:

	2024	2023
Unrealized gains (losses)	39,042	\$ 38,973
Realized gains (losses)	(1,965)	(14,301)
Dividends and interest	92,890	31,980
Total unrestricted return on investment	\$ 129,967	\$ 56,652
Investment expense	(1,830)	(2,564)
Investment return, net	\$ 128,137	\$ 54,088

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair market value hierarchy are described below:

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

**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

**Notes to Financial Statements**

Note 5. Investments (continued)

(ii) Level 2-Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

(iii) Level 3-Inputs to the valuation methodology are unobservable with asset values based on models. Assumptions from market participants are used when pricing the asset or liability, given there is no readily available market information on them. Level 3 assets are not actively traded, and their values can only be estimated using a combination of complex market prices, mathematical models, and subjective assumptions.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 6. Accounts Receivable

Accounts receivable are comprised of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Trade	\$ 14,755	\$ 23,793
Grant	31,088	70,463
Corporate partnership	99,536	89,300
Miscellaneous	5,146	9,571
Allowance for doubtful accounts	<u>(4,556)</u>	<u>(4,461)</u>
	\$ <u>145,969</u>	\$ <u>188,666</u>

**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

**Notes to Financial Statements**

Note 7. Property and Equipment

Property and equipment consist of the following:

	2024	2023
Land	\$ 350,000	\$ 350,000
Building and improvements	2,695,604	2,521,686
Furniture & equipment	1,270,376	1,099,617
	4,315,980	3,971,303
Less: Accumulated depreciation	(2,915,800)	(2,800,850)
	<u>\$ 1,400,180</u>	<u>\$ 1,170,453</u>

Depreciation charged to operations totaled \$114,950 and \$113,734 for the years ended June 30, 2024 and 2023 respectively.

Note 8. Liquidity

The following reflects the Association's financial assets (cash, investments and receivables) as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	June 30, 2024	June 30, 2023
Financial assets at year end:		
Cash and cash equivalents	\$ 1,461,555	\$ 1,632,394
Investments	2,001,368	1,284,639
Accounts receivable	145,969	188,666
Due from related party	2,156	1,807
Designated investments	169,794	158,386
	3,780,842	3,265,892
Less those unavailable for general Expenditures within one year due to:		
Donor restricted endowment fund	114,435	126,535
Board restricted endowment fund	56,511	56,511
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,609,896</u>	<u>\$ 3,082,846</u>

# Massachusetts Interscholastic Athletic Association, Inc. June 30, 2024 and 2023

## Notes to Financial Statements

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### Note 8. Liquidity (continued)

As part of the Association's liquidity management, it invests cash in excess of daily requirements in investments.

### Note 9. Cash Surrender Value Life Insurance

Cash surrender value life insurance represents the Association's assigned interest in a split dollar life insurance policy on a key employee. The cash value amounts represent premiums paid by the Association under a split dollar arrangement.

### Note 10. Pension and Other Postretirement Plans

The Association maintains a 403(b) Plan, the MIAA/MSAA Pension Plan (the "Pension Plan"), which was originally effective July 1, 1996. The Association contributes to the Plan on behalf of eligible employees (as defined in the Plan), based on years of service.

Effective July 1, 2008, the Association established the MIAA/MSAA Retirement Plan (the "Retirement Plan"), a contributory defined benefit pension plan for its eligible employees (as defined in the Plan). The Retirement Plan benefit formula is generally based on the Massachusetts Teacher's Retirement System Plan. The Plan's benefit formula considers age, years of service (up to a maximum of 32 years) and applies a percentage factor to Plan defined compensation. The resulting amount is offset by a calculation (as specified in the Plan) that annuitizes the "Theoretical Employer Account Balance" attributable to the Association's contribution to the MIAA/MSAA pension 403(b) plan.

The benefit amount is then further offset by the Participant's annual Social Security Benefit (as defined in the Plan) payable at their "Social Security Retirement Age". This figure ("Benefit 1") is then grossed up for the applicable Massachusetts state Income Tax Rate. The Participant's annual Normal Retirement benefit is then determined to be the greater of (i) Benefit 1 or (ii) a minimum annual benefit of \$120.00 times a participant's years of service. The normal retirement benefit is subject to a seven-year graded vesting schedule. Participants are guaranteed of receiving at a minimum, a return of the participant's "Mandatory Employee Contributions" of 4.8% of salary with interest, in accordance with Plan terms.

**Massachusetts Interscholastic  
Athletic Association, Inc.  
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**Notes to Financial Statements**

Note 10. Pension and Other Postretirement Plans (continued)

As of June 30, 2024 and 2023 ten and nine participants, respectively, were active in the retirement plan.

The Association also maintains the MIAA/MSAA Post-Retirement Medical Insurance Premium Plan (the "Plan"), effective July 1, 2008, to subsidize the cost of post-retirement medical insurance premiums for the Association's post-retirement medical insurance policy then in effect for eligible retired employees and their "Immediate Family Members" ("Participants") (as defined in the Plan), based on Years of Service. In order to fund the Association's share of the cost, it established a Voluntary Employee Benefit Association or "VEBA" pursuant to Sections 501 (c) (9) and 512 of the Internal Revenue Code of 1986 as amended.

During 2019 the Association amended the post-retirement medical insurance plan to cap benefits to \$250 per month each, for the retiree and his/her spouse.

As of June 30, 2024 and 2023, four retirees (nine total participants with inclusion of spouses), were active in the Post-Retirement Medical Insurance Premium Plan.

The accrued unfunded (overfunded) postretirement benefits reflected in the statement of financial position is made up of the following:

	2024	2023
Accrued postretirement health benefits (overfunded)	\$ (1,069,705)	\$ (971,430)
Add: Current portion	9,824	10,272
Postretirement benefits overfunded	<u>\$ (1,059,881)</u>	<u>\$ (961,158)</u>
	2024	2023
Accrued pension benefits underfunded (overfunded)	\$ (449,120)	\$ (140,273)
Accrued vacation and sick pay	\$ 251,180	\$ 199,160
Post retirement obligations, current portion	<u>\$ (9,824)</u>	<u>\$ (10,272)</u>

# Massachusetts Interscholastic Athletic Association, Inc. June 30, 2024 and 2023

## Notes to Financial Statements

### Note 10. Pension and Other Postretirement Plans (continued)

The following table sets forth the funded status of both postretirement plans reconciled with the amount shown in the Association's statement of financial position at June 30, 2024 and 2023.

	Pension Benefits		Postretirement Health Benefits	
	2024	2023	2024	2023
Postretirement benefit obligation	\$2,501,965	\$2,636,441	\$ 180,011	\$ 217,576
Plan assets at fair value	<u>(2,951,085 )</u>	<u>(2,776,714 )</u>	<u>(1,239,892 )</u>	<u>(1,178,734)</u>
Postretirement benefit obligation in excess of plan assets included in the Statements of Financial Position	<u>\$ (449,120 )</u>	<u>\$ (140,273 )</u>	<u>\$ (1,059,881 )</u>	<u>\$ (961,158)</u>

The accumulated postretirement health benefit is the portion of the total obligation earned to date and is used as the postretirement health benefit obligation in these financial statements

Included under insurance and employee benefits are the following pension and postretirement health plan expenses.

	2024	2023
Pension plan	\$ (8,859)	\$ 44,363
403(b) plan	126,646	112,437
Postretirement health benefits	<u>(179,438)</u>	<u>(152,747)</u>
	<u>\$ (61,651)</u>	<u>\$ 4,053</u>

Net periodic postretirement benefit costs for June 30, 2024 and 2023 included the following components:

	Pension Benefits		Postretirement Health Benefits	
	2024	2023	2024	2023
Service cost – benefits attributed to service during the period	\$ -	\$ 3,826	\$ 6,204	\$ 5,754
Interest cost on accumulated postretirement benefit obligation	123,287	119,846	10,356	9,544
Expected return on plan assets	(215,130 )	(209,187 )	(35,363 )	(32,376 )
Amortization of transition obligation	-	-	4,407	21,705
Prior Service Cost	-	-	(134,843 )	(134,843 )
Recognition of (gains)/losses	<u>82,984</u>	<u>129,878</u>	<u>(30,199 )</u>	<u>(22,531 )</u>
Net periodic postretirement benefit cost deducted under administrative operations in the Statements of Activities	<u>\$ (8,859)</u>	<u>\$ 44,363</u>	<u>\$ (179,438 )</u>	<u>\$ (152,747 )</u>

# Massachusetts Interscholastic Athletic Association, Inc. June 30, 2024 and 2023

## Notes to Financial Statements

### Note 10. Pension and Other Postretirement Plans (continued)

The assumptions at June 30, used by the Association to calculate the benefit obligations as of that date and to determine the benefit cost in the subsequent year are as follows:

	<u>Pension Benefits</u>		<u>Postretirement Health Benefits</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Weighted-average assumptions</b>				
Discount rate (beginning of period)	4.875%	4.375%	4.875%	4.375%
Discount rate (end of period)	5.250%	4.875%	5.250%	4.875%
Rate of increase in compensation levels (beginning of period)	5.000%	5.000%		
Rate of increase in compensation levels (end of period)	-	5.000%		
Expected return on plan assets	6.000%	8.000%	3.000%	3.000%
Health care cost trend rates:				
Pre-Medicare	-	-	-	-
Medicare	-	-	-	-

The fair values of the Association's plan assets at June 30, 2024 and 2023 by asset class are as follows:

Asset Class	Pension Benefits		Postretirement Health Benefits	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash	\$ 387,498	\$ 73,731	\$ 26,100	\$ 22,203
Equity securities	982,034	1,023,037	709,938	699,239
Mutual funds	541,649	713,813	152,800	153,091
Equity trusts	1,039,904	966,133	351,054	304,201
All level one measurements	<u>\$ 2,951,085</u>	<u>\$ 2,776,714</u>	<u>\$ 1,239,892</u>	<u>\$ 1,178,734</u>

The following benefits are expected to be paid:

	Pension Benefits	Postretirement Health Benefits
2025	\$ 150,260	\$ 10,266
2026	\$ 154,515	\$ 10,478
2027	\$ 152,304	\$ 10,956
2028	\$ 152,809	\$ 11,252
2029	\$ 151,499	\$ 11,679



# Massachusetts Interscholastic Athletic Association, Inc. June 30, 2024 and 2023

## Notes to Financial Statements

### Note 11. EIDL SBA Loan Payable

Due to the coronavirus pandemic, in October 2020 the Association obtained a Small Business Association (SBA) Economic Injury Disaster Loan (EIDL) in the amount of \$150,000. This loan is for a term of 30 years and has an interest rate of 2.75%. Payments on the note had been deferred until April 2023.

During the deferral period, interest continued to accrue on the loan. Payments on the loan are \$641 per month with a balloon payment at the end of the loan period. Payments at the beginning of the loan term are allocated to accrued interest.

Principal payments over the next five years are as follows:

June 30, 2025	\$	-
June 30, 2026	\$	454
June 30, 2027	\$	3,625
June 30, 2028	\$	3,726
June 30, 2029	\$	3,829

### Note 12. Revenue Recognition

The Association's revenue disaggregated according to the timing of when revenue is recognized is as follows:

	June 30	
Revenue recognized at a point in time	2024	2023
Athletic events	\$3,978,180	\$3,849,950
Corporate partnerships	786,417	737,902
Educational athletics	261,289	271,933
Grant income - educational athletics	199,072	200,000
Conferences and workshops	41,620	44,830
Rule publications	13,919	32,211
Total Revenue recognized at a point in time	\$5,280,497	\$5,136,826

**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

**Notes to Financial Statements**

Note 12. Revenue Recognition (continued)

	June 30	
	2024	2023
Revenue recognized over time		
Membership dues	\$1,270,800	\$1,267,500
Total Revenue recognized over time	\$1,270,800	\$1,267,500
Other revenue not subject to ASC 606		
Bad debt recovered	\$ -	\$ 44,000
Miscellaneous income	4,815	5,607
Total Other Revenue	\$ 4,815	\$ 49,607
Total Revenue	<u>\$6,556,112</u>	<u>\$6,453,933</u>

Note 13. Income Tax Status

The Association is exempt from federal income and state excise taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities during the years covered by these statements. Therefore, the Association has made no provision for federal income and state excise tax in the accompanying financial statements.

Note 14. Net Assets

The Association's financial statement presentation is in accordance with GAAP. Under this guidance, the Association has reported information regarding its financial position and activities according to two classes of net assets based on the presence or absence of donor-imposed restrictions:

- Net assets without donor restrictions, which are not subject to usage restrictions based on donor-imposed requirement. This class also includes assets previously restricted where restrictions have expired or been met.
- Net assets with donor restrictions, which are subject to usage limitations based on donor-imposed or grantor restrictions. Restrictions may be met by the passage of time or by actions of the Association. Certain restrictions may need to be maintained in perpetuity.

# Massachusetts Interscholastic Athletic Association, Inc. June 30, 2024 and 2023

## Notes to Financial Statements

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### Note 14. Net Assets (continued)

The Association receives donations to the MIAA Education Based Athletics Endowment Fund. The Endowment was established to fund educational programs for student-athletes. The board of directors approves the amount available to the membership annually for the coming year.

Endowment Funds are comprised of:

Donor Funds – With Donor Restrictions	\$114,435
Board Designated Funds-Without Donor Restrictions	\$ 56,511

The governing board has designated an endowment from net assets without donor restrictions. Net assets with donor restrictions are subject to donor-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, such as those the donor stipulates resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Association, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

### Note 15. Related Party Transactions

The Association shares its building and employees with the Massachusetts School Administrators' Association, Inc. ("MSAA"). Rent payments to Massachusetts Interscholastic Athletic Association, Inc. total \$58,000 and \$58,000 each year for the years ended June 30, 2024 and 2023, respectively. Several employees including executive staff perform services for the Association and MSAA. The salaries of individuals working for both organizations, occupancy costs (including rent), and other mutual expenses totaling \$710,980 and \$766,991 were allocated to MSAA for the years ended June 30, 2024 and 2023, respectively. MSAA reimburses the Association monthly. The Association was owed \$2,156 and \$1,807 by MSAA at June 30, 2024 and 2023, respectively.

**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

**Notes to Financial Statements**

Note 16. Contractual Relations

*Teall Properties Group*

The Association and the Teall Properties Group (“TPG”) entered into an agreement on January 16, 2020, whereby TPG will handle the multimedia and sponsorship rights through June 30, 2030. The Association received \$453,864 for the year ended June 30, 2024.

Future minimum revenue earned under this agreement is as follows:

Year Ended June 30,	Total
2025	\$ 460,000
2026	460,000
2027	465,000
2028	465,000
2029	470,000
Thereafter	470,000
	\$ 2,790,000

*National Federation of State High School Associations*

The Association and National Federation of State High School Associations (“NFHS”) entered into an media rights fee agreement starting August 1, 2018 through July 31, 2028, whereby NFHS will pay the Associations for media rights. The Association received \$69,556 and \$67,531 for the years ended June 30, 2024 and 2023, respectively.

Future minimum revenue earned under this agreement is as follows:

Year Ended June 30,	Total
2025	\$ 71,643
2026	73,792
2027	76,006
2028	78,286
2029	-
	\$ 299,727

**Massachusetts Interscholastic  
Athletic Association, Inc.  
June 30, 2024 and 2023**

**Notes to Financial Statements**

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Note 16. Contractual Relations (Continued)

*GoFan*

The Association and GoFan entered into a revenue sharing contract, whereby GoFan will pay the Association a revenue share on ticket sales. The Association received \$182,810 and \$168,866 for the years ended June 30, 2024 and 2023 respectively.

Note 17. Functional Allocation of Expenses

The cost of providing various programs along with management and general have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis. Personnel costs, professional services, office expense, information technology, insurance, and other expenses are allocated on the basis of estimates of time, effort and/or usage.

Note 18. Grants

The Association received one grant during the year ended June 30, 2023. The grant totaled \$200,000 and was from the Massachusetts Department of Health and Human Services for wellness programs. This grant was reviewed and the Association received \$199,072 for the year ended June 30, 2024

Note 19. Litigation

From time to time, the Association, or the Association on behalf of its members, is subject to litigation that arises in the ordinary course of conducting activities. 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, 2024.

Note 20. Evaluation of Subsequent Events

The Association has evaluated subsequent events through November 12, 2024, the date which the financial statements were available to be issued.