

**Massachusetts Interscholastic
Athletic Association, Inc.**

Financial Statements

Years Ended June 30, 2025 and 2024

**Massachusetts Interscholastic
Athletic Association, Inc.
June 30, 2025 and 2024**

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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, 2025 and 2024, 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, 2025 and 2024, 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 audits 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
October 31, 2025

MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,682,596	\$ 1,461,555
Investments	2,254,893	2,001,368
Accounts receivable	131,992	145,969
Prepaid expenses	22,532	20,092
Due from related party	31,464	2,156
Total Current Assets	4,123,477	3,631,140
Property and equipment, net	1,439,848	1,400,180
Other Assets:		
Designated investments	184,942	169,794
Cash surrender value life insurance	42,061	40,300
Postretirement benefits-over funded	1,176,972	1,069,705
Pension benefits-over funded	979,137	449,120
Total Assets	\$ 7,946,437	\$ 6,760,239
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 487,007	\$ 522,413
Deferred revenue	35,110	28,435
Postretirement obligations, current portion	5,786	9,824
Total Current Liabilities	527,903	560,672
Noncurrent Liabilities:		
Accrued vacation and sick pay	277,396	251,180
EIDL SBA Loan	150,000	150,000
Total Noncurrent Liabilities	427,396	401,180
Total Liabilities – balance carried forward	\$ 955,299	\$ 961,852

MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Total Liabilities brought forward	\$ 955,299	\$ 961,852
Net Assets:		
Without donor restrictions		
Undesignated	6,829,092	5,627,441
Board designated for endowment fund	<u>56,511</u>	<u>56,511</u>
Total without donor restrictions	6,885,603	5,683,952
With donor restrictions	<u>105,535</u>	<u>114,435</u>
Total Net Assets	<u>6,991,138</u>	<u>5,798,387</u>
Total Liabilities and Net Assets	<u>\$ 7,946,437</u>	<u>\$ 6,760,239</u>

MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>Changes in Net Assets Without Donor Restrictions</u>		
<u>Revenue and Support</u>		
Athletic events	\$ 3,993,075	\$ 3,978,180
Membership dues	1,492,650	1,270,800
Corporate partnerships	900,293	786,417
Educational athletics	296,520	261,289
Grant income - educational athletics	106,153	199,072
Rules publication	50,385	13,919
Conferences and workshops	41,380	41,620
Miscellaneous income	<u>6,070</u>	<u>4,815</u>
Total revenue and support without donor restrictions	6,886,526	6,556,112
<u>Expenses</u>		
Program services:		
Athletic events	3,998,484	3,867,292
Educational athletics	788,586	674,522
Other programs	<u>70,687</u>	<u>77,096</u>
Total program expense	4,857,757	4,618,910
General and administrative	1,444,373	1,245,850
Fundraising	<u>23,041</u>	<u>21,437</u>
Total expenses	<u>6,325,171</u>	<u>5,886,197</u>
Increase (Decrease) in net assets from operations		
- balance carried forward	561,355	669,915

MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Balance brought forward	\$ 561,355	\$ 669,915
<u>Other Revenue (Expenses) without Donor Restrictions</u>		
Rental income	58,000	58,000
Investment return, net	150,734	128,137
Interest expense	<u>(4,261)</u>	<u>(4,354)</u>
Total other unrestricted revenue (expenses)	<u>204,473</u>	<u>181,783</u>
<u>Increase (Decrease) in Net Assets without Donor Restrictions from Operating Activities</u>	765,828	851,698
<u>Postretirement Benefit Changes Other Than Net Periodic Pension Costs</u>	<u>435,823</u>	<u>219,273</u>
<u>Increase (Decrease) in Net Assets without Donor Restrictions</u>	<u>1,201,651</u>	<u>1,070,971</u>
<u>Change in Net Assets With Donor Restrictions</u>		
Contributions – Endowment Fund	8,100	9,900
Less: Endowment scholarships	<u>(17,000)</u>	<u>(22,000)</u>
Increase (Decrease) in net assets with donor restrictions	(8,900)	(12,100)
Increase (decrease) in net assets	1,192,751	1,058,871
Net Assets, Beginning of Year	<u>5,798,387</u>	<u>4,739,516</u>
Net Asset, End of Year	<u>\$6,991,138</u>	<u>\$ 5,798,387</u>

MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services		Supporting Services			Total
	Athletic Events	Educational Athletics	Other Programs	Management and General	Fundraising	
	-----June 30, 2025-----					
Athletic events	\$ 3,731,322	\$ -	\$ -	\$ 44,000	\$ -	3,775,322
Educational athletics	-	417,412	-	-	4,216	421,628
Game officials	-	136,865	-	-	-	136,865
Conferences and workshops	-	-	30,358	-	-	30,358
Salaries	75,938	112,622	28,740	617,907	14,371	849,578
Insurance and employee benefits	41,667	26,515	2,525	54,293	1,264	126,264
Payroll taxes and administration	40,748	25,930	2,470	53,095	1,234	123,477
Depreciation	44,024	28,015	2,668	58,699	-	133,406
Office operations	-	-	-	193,650	1,956	195,606
Buildings and grounds	64,785	41,227	3,926	86,380	-	196,318
Other professional fees	-	-	-	84,825	-	84,825
Legal and accounting	-	-	-	193,199	-	193,199
Committee meetings	-	-	-	10,061	-	10,061
Miscellaneous	-	-	-	15,904	-	15,904
National meetings	-	-	-	30,518	-	30,518
MIAA handbooks	-	-	-	1,842	-	1,842
Total	<u>\$ 3,998,484</u>	<u>\$ 788,586</u>	<u>\$ 70,687</u>	<u>\$ 1,444,373</u>	<u>\$ 23,041</u>	<u>\$6,325,171</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
Total	<u>\$ 3,867,292</u>	<u>\$ 674,522</u>	<u>\$ 77,096</u>	<u>\$ 1,245,850</u>	<u>\$ 21,437</u>	<u>\$ 5,886,197</u>

See accompanying notes to financial statements

MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ 1,192,751	\$ 1,058,871
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	133,406	114,950
Unrealized (gain) loss on investments	(43,451)	(39,042)
 (Increase) decrease in assets:		
Accounts receivable	13,977	42,697
Prepaid expenses	(2,440)	(11,056)
Due from related party	(29,308)	(349)
Cash surrender value life insurance	(1,761)	(1,760)
Postretirement benefits-over funded	(107,267)	(98,275)
Pension benefits-over funded	(530,017)	(308,847)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(35,406)	34,586
Accrued postretirement benefits	22,178	51,572
Deferred revenue	6,675	19,585
Net cash provided (used) by operating activities	619,337	862,932
 <u>Cash Flows from Investing Activities</u>		
Proceeds from sales of investments	127,953	289,730
Purchase of investments	(353,175)	(978,825)
Acquisition of property and equipment	(173,074)	(344,676)
Net cash provided (used) by investing activities	(398,296)	(1,033,771)

MASSACHUSETTS INTERSCHOLASTIC ATHLETIC ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>Increase (Decrease) in Cash</u>	\$ 221,041	\$ (170,839)
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>1,461,555</u>	<u>1,632,394</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 1,682,596</u>	<u>\$ 1,461,555</u>

Supplemental Information

Cash paid for:		
Interest	<u>\$ 4,261</u>	<u>\$ 4,354</u>

Massachusetts Interscholastic Athletic Association, Inc. June 30, 2025 and 2024

Notes to Financial Statements

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, 2025 and 2024

Notes to Financial Statements

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, 2025 and 2024**

Notes to Financial Statements

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.

Note 2. 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, 2025 and 2024

Notes to Financial Statements

Note 3. 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>2025</u>	<u>2024</u>
Cash	\$ 1,682,596	\$ 1,461,555

Note 4. 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, 2025 and 2024:

	June 30, 2025		
	Cost	Unrealized Gain or (Loss)	Market Value
Equity and debt securities	\$ 2,182,770	\$ 129,099	\$ 2,311,869
Money market funds	127,966	-	127,966
	2,310,736	\$ 129,099	2,439,835
Designated to endowment fund	(164,006)	(20,936)	(184,942)
Investments available for sale	\$ 2,146,730	\$ 108,163	\$ 2,254,893

**Massachusetts Interscholastic
Athletic Association, Inc.
June 30, 2025 and 2024**

Notes to Financial Statements

Note 4. Investments (continued)

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

Components of investment return are as follows:

	2025	2024
Unrealized gains (losses)	\$ 43,451	\$ 39,042
Realized gains (losses)	7,828	(1,965)
Dividends and interest	101,195	92,890
Total unrestricted return on investment	\$ 152,474	\$ 129,967
Investment expense	(1,740)	(1,830)
Investment return, net	\$ 150,734	\$ 128,137

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, 2025 and 2024**

Notes to Financial Statements

Note 4. 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 5. Accounts Receivable

Accounts receivable are comprised of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Trade	\$ 7,723	\$ 14,755
Grant	-	31,088
Corporate partnership	107,940	99,536
Miscellaneous	20,300	5,146
Allowance for doubtful accounts	<u>(3,971)</u>	<u>(4,556)</u>
	\$ <u>131,992</u>	\$ <u>145,969</u>

Massachusetts Interscholastic Athletic Association, Inc. June 30, 2025 and 2024

Notes to Financial Statements

Note 6. Property and Equipment

Property and equipment consist of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 350,000	\$ 350,000
Building and improvements	2,755,607	2,695,604
Furniture & equipment	<u>1,383,446</u>	<u>1,270,376</u>
	4,489,053	4,315,980
Less: Accumulated depreciation	<u>(3,049,205)</u>	<u>(2,915,800)</u>
	<u>\$ 1,439,848</u>	<u>\$ 1,400,180</u>

Depreciation charged to operations totaled \$133,406 and \$114,950 for the years ended June 30, 2025 and 2024 respectively.

Note 7. 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.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,682,596	\$ 1,461,555
Investments	2,254,893	2,001,368
Accounts receivable	131,992	145,969
Due from related party	31,464	2,156
Designated investments	<u>184,942</u>	<u>169,794</u>
	4,285,887	3,780,842
Less those unavailable for general Expenditures within one year due to:		
Donor restricted endowment fund	105,535	114,435
Board restricted endowment fund	<u>56,511</u>	<u>56,511</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,123,841</u>	<u>\$ 3,609,896</u>

**Massachusetts Interscholastic
Athletic Association, Inc.
June 30, 2025 and 2024**

Notes to Financial Statements

Note 7. Liquidity (continued)

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

Note 8. 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 9. 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.

On May 14, 2025, the Board of Directors approved the termination of the Association's defined benefit pension plan. The decision was made as part of the Association's ongoing efforts to simplify its employee benefit structure and reduce long-term obligations. The process of terminating and fully settling the plan is expected to take approximately one and a half years to complete, subject to regulatory approvals and administrative procedures. During this period, the Association will continue to account for the plan's assets and liabilities in accordance with applicable accounting standards until the termination and final distribution of plan assets are finalized.

Massachusetts Interscholastic Athletic Association, Inc. June 30, 2025 and 2024

Notes to Financial Statements

Note 9. Pension and Other Postretirement Plans (continued)

As of June 30, 2025 and 2024, ten participants 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, 2025 and 2024, five retirees (eleven total participants with the inclusion of spouses) and four retirees (nine total participants with inclusion of spouses), respectively, 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:

	2025	2024
Accrued postretirement health benefits (overfunded)	\$ (1,176,972)	\$ (1,069,705)
Add: Current portion	5,786	9,824
Postretirement benefits overfunded	\$ (1,171,186)	\$ (1,059,881)
	2025	2024
Accrued pension benefits underfunded (overfunded)	\$ (979,137)	\$ (449,120)
Accrued vacation and sick pay	\$ 277,396	\$ 251,180
Post retirement obligations, current portion	\$ (5,786)	\$ (9,824)

Massachusetts Interscholastic Athletic Association, Inc. June 30, 2025 and 2024

Notes to Financial Statements

Note 9. 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, 2025 and 2024.

	Pension Benefits		Postretirement Health Benefits	
	2025	2024	2025	2024
Postretirement benefit obligation	\$2,057,232	\$2,501,965	\$ 155,932	\$ 180,011
Plan assets at fair value	(3,036,369)	(2,951,085)	(1,327,118)	(1,239,892)
Postretirement benefit obligation in excess of plan assets included in the Statements of Financial Position	<u>\$ (979,137)</u>	<u>\$ (449,120)</u>	<u>\$ (1,171,186)</u>	<u>\$ (1,059,881)</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.

	2025	2024
Pension plan	\$ (18,214)	\$ (8,859)
403(b) plan	126,320	126,646
Postretirement health benefits	<u>(187,285)</u>	<u>(179,438)</u>
	<u>\$ (79,179)</u>	<u>\$ (61,651)</u>

Net periodic postretirement benefit costs for June 30, 2025 and 2024 included the following components:

	Pension Benefits		Postretirement Health Benefits	
	2025	2024	2025	2024
Service cost – benefits attributed to service during the period	\$ -	\$ -	\$ 5,408	\$ 6,204
Interest cost on accumulated postretirement benefit obligation	127,080	123,287	9,193	10,356
Expected return on plan assets	(172,182)	(215,130)	(37,209)	(35,363)
Amortization of transition obligation	-	-	-	4,407
Prior Service Cost	-	-	(134,843)	(134,843)
Recognition of (gains)/losses	26,888	82,984	(29,834)	(30,199)
Net periodic postretirement benefit cost deducted under administrative operations in the Statements of Activities	<u>\$ (18,214)</u>	<u>\$ (8,859)</u>	<u>\$ (187,285)</u>	<u>\$ (179,438)</u>

Massachusetts Interscholastic Athletic Association, Inc. June 30, 2025 and 2024

Notes to Financial Statements

Note 9. 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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Weighted-average assumptions				
Discount rate (beginning of period)	5.250%	4.875%	5.250%	4.875%
Discount rate (end of period)	5.125%	5.250%	5.500%	5.250%
Rate of increase in compensation levels (beginning of period)	-	5.000%	-	-
Rate of increase in compensation levels (end of period)	-	-	-	-
Expected return on plan assets	6.000%	6.000%	3.000%	3.000%
Health care cost trend rates:				
Pre-Medicare	-	-	-	-
Medicare	-	-	-	-

The fair values of the Association's plan assets at June 30, 2025 and 2024 by asset class are as follows:

Asset Class	Pension Benefits		Postretirement Health Benefits	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Cash	\$ 92,473	\$ 387,498	\$ 11,691	\$ 26,100
Equity securities	289,652	982,034	728,545	709,938
Mutual funds	1,540,901	541,649	183,557	152,800
Equity trusts	1,113,343	1,039,904	403,325	351,054
All level one measurements	<u>\$ 3,036,369</u>	<u>\$ 2,951,085</u>	<u>\$ 1,327,118</u>	<u>\$ 1,239,892</u>

The following benefits are expected to be paid:

	Pension Benefits	Postretirement Health Benefits
2026	\$ 199,496	\$ 6,368
2027	\$ 197,354	\$ 7,236
2028	\$ 193,341	\$ 7,918
2029	\$ 190,122	\$ 8,751
2030	\$ 183,353	\$ 9,922

Massachusetts Interscholastic Athletic Association, Inc. June 30, 2025 and 2024

Notes to Financial Statements

Note 10. 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, 2026	\$ 454
June 30, 2027	\$ 3,625
June 30, 2028	\$ 3,726
June 30, 2029	\$ 3,829
June 30, 2030	\$ 3,936

Note 11. 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	<u>2025</u>	<u>2024</u>
Athletic events	\$3,993,075	\$3,978,180
Corporate partnerships	900,293	786,417
Educational athletics	296,520	261,289
Grant income - educational athletics	106,153	199,072
Conferences and workshops	41,380	41,620
Rule publications	<u>50,385</u>	<u>13,919</u>
Total Revenue recognized at a point in time	\$5,387,806	\$5,280,497

**Massachusetts Interscholastic
Athletic Association, Inc.
June 30, 2025 and 2024**

Notes to Financial Statements

Note 11. Revenue Recognition (continued)

	June 30	
	<u>2025</u>	<u>2024</u>
Revenue recognized over time		
Membership dues	\$1,492,650	\$1,270,800
Total Revenue recognized over time	\$1,492,650	\$1,270,800
Other revenue not subject to ASC 606		
Miscellaneous income	<u>6,070</u>	<u>4,815</u>
Total Other Revenue	<u>\$ 6,070</u>	<u>\$ 4,815</u>
Total Revenue	<u>\$6,886,526</u>	<u>\$6,556,112</u>

Note 12. 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 13. 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, 2025 and 2024**

Notes to Financial Statements

Note 13. 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	\$ 56,511
Board Designated Funds-Without Donor Restrictions	\$105,535

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 14. 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, 2025 and 2024, 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 \$792,732 and \$710,980 were allocated to MSAA for the years ended June 30, 2025 and 2024, respectively. MSAA reimburses the Association monthly. The Association was owed \$31,464 and \$2,156 by MSAA at June 30, 2025 and 2024, respectively.

Massachusetts Interscholastic Athletic Association, Inc. June 30, 2025 and 2024

Notes to Financial Statements

Note 15. 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 \$460,000 and \$453,864 for the years ended June 30, 2025 and 2024, respectively.

Future minimum revenue earned under this agreement is as follows:

Year Ended June 30,	Total
2026	460,000
2027	465,000
2028	465,000
2029	470,000
2030	470,000
	\$ 2,330,000

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 \$71,643 and \$69,556 for the years ended June 30, 2025 and 2024, respectively.

Future minimum revenue earned under this agreement is as follows:

Year Ended June 30,	Total
2026	\$ 73,792
2027	76,006
2028	78,286
2029	-
2030	-
	\$ 228,084

Massachusetts Interscholastic Athletic Association, Inc. June 30, 2025 and 2024

Notes to Financial Statements

Note 15. Contractual Relations (Continued)

National Federation of State High School Associations

The Association and National Federation of State High School Associations ("NFHS") entered into a variable performance sharing agreement, whereby NFHS will pay the Association a variable performance share on media, digital ticketing and Esports. The Association received \$132,554 and \$58,688 for the years ended June 30, 2025 and 2024, respectively.

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 \$193,518 and \$182,810 for the years ended June 30, 2025 and 2024, respectively.

Note 16. 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 17. Grants

The Association received one grant during the year ended June 30, 2025. The grant totaled \$200,000 and was from the Massachusetts Department of Health and Human Services for wellness programs. However, the Association only drew on the grant through December 2024, before deciding to end the long-standing relationship with Massachusetts Department of Health and Human Services for wellness programs. This grant was reviewed and the Association recognized revenue of \$106,153 and \$199,072 for the years ended June 30, 2025 and 2024, respectively.

Note 18. 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, 2025.

Note 19. Evaluation of Subsequent Events

The Association has evaluated subsequent events through October 31, 2025, the date which the financial statements were available to be issued.