

**Massachusetts School Administrators'  
Association, Incorporated**

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**Financial Statements**

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

**Massachusetts School Administrators’  
Association, Incorporated  
June 30, 2024 and 2023**

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# HALKIADAKIS & CO

## CERTIFIED PUBLIC ACCOUNTANTS

### Independent Auditors' Report

To The Board of Directors  
Massachusetts School Administrators'  
Association, Incorporated  
Franklin, Massachusetts

#### **Opinion**

We have audited the accompanying financial statements of Massachusetts School Administrators' Association, Incorporated (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 School Administrators' Association, Incorporated 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 School Administrators' Association, Incorporated 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 School Administrators' Association, Incorporated'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 School Administrators' Association, Incorporated'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 School Administrators' Association, Incorporated'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 SCHOOL ADMINISTRATORS' ASSOCIATION, INCORPORATED**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 302,974	\$ 143,346
Investments	1,116,902	1,311,014
Accounts receivables	178,081	22,511
Prepaid expenses	36,856	13,420
Total Current Assets	1,634,813	1,490,291
<b>Other Assets:</b>		
Postretirement obligation-overfunded	518,146	416,221
Designated investments	327,683	-
	845,829	416,221
<b>Property and equipment, net</b>	36,731	3,061
<b>Total Assets</b>	\$ 2,517,373	\$ 1,909,573
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 75,951	\$ 63,064
Deferred dues revenue	7,150	10,003
Deferred program revenue	246,913	165,284
Due to related party	2,156	1,807
Postretirement obligations, current portion	2,475	3,519
Total Current Liabilities	334,645	243,677
<b>Noncurrent Liabilities:</b>		
Accrued pension benefits	-	68,215
Accrued vacation and sick pay	67,535	54,602
EIDL SBA Loan	150,000	150,000
Total Noncurrent Liabilities	217,535	272,817
<b>Total Liabilities – balance carried forward</b>	\$ 552,180	\$ 516,494

**MASSACHUSETTS SCHOOL ADMINISTRATORS' ASSOCIATION, INCORPORATED**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Total Liabilities</b> brought forward	\$ 552,180	\$ 516,494
<b>Net Assets:</b>		
Without donor restrictions		
Undesignated	1,687,693	1,393,079
Board designated for endowment fund	<u>150,000</u>	<u>-</u>
Total without donor restrictions	1,837,693	1,393,079
With donor restrictions	<u>127,500</u>	<u>-</u>
Total Net Assets	<u>1,965,193</u>	<u>1,393,079</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,517,373</u>	<u>\$ 1,909,573</u>

**MASSACHUSETTS SCHOOL ADMINISTRATORS' ASSOCIATION, INCORPORATED**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<b><u>Changes in Net Assets Without Donor Restrictions</u></b>		
<b><u>Revenue and Support</u></b>		
Association conferences	\$ 938,365	\$ 711,738
Membership dues	558,500	490,675
Student activities	506,210	457,755
Student activities dues	156,300	99,260
Corporate partnerships	117,674	102,511
Miscellaneous	14,593	12,671
Total revenue and support without donor restrictions	2,291,642	1,874,610
<b><u>Expenses</u></b>		
Program services:		
Membership	144,435	159,331
Student activities	668,686	575,258
Professional programs	816,898	903,326
Total program expense	1,630,019	1,637,915
General and administrative	446,555	341,963
Fundraising	18,075	13,096
Total expenses	2,094,649	1,992,974
<b>Increase (Decrease) in net assets from operations</b>		
- balance carried forward	\$ 196,993	\$ (118,364)

**MASSACHUSETTS SCHOOL ADMINISTRATORS' ASSOCIATION, INCORPORATED**  
**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Balance</b> brought forward	\$ 196,993	\$ (118,364)
<b><u>Other Revenue (Expenses) without Donor Restrictions</u></b>		
Interest expense	(4,346)	(12,132)
Investment return, net	<u>133,572</u>	<u>107,216</u>
<b><u>Increase (Decrease) in Net Assets without Donor Restrictions from Operating Activities</u></b>	326,219	(23,280)
<b><u>Postretirement Benefit Changes Other Than Net Periodic Pension Costs</u></b>	<u>118,395</u>	<u>153,787</u>
<b><u>Increase (Decrease) in Net Assets without Donor Restrictions</u></b>	444,614	130,507
<b><u>Change in Net Assets With Donor Restrictions</u></b>		
Contributions – Endowment Fund	150,000	-
Less: Endowment expenses	<u>(22,500)</u>	<u>-</u>
Increase in net assets with donor restrictions	127,500	-
Increase in net assets	572,114	130,507
<b>Net Assets, Beginning of Year</b>	<u>1,393,079</u>	<u>1,262,572</u>
<b>Net Asset, End of Year</b>	<u>\$ 1,965,193</u>	<u>\$ 1,393,079</u>

**MASSACHUSETTS SCHOOL ADMINISTRATORS' ASSOCIATION, INCORPORATED**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Membership</u>	<u>Student Activities</u>	<u>Professional Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
	-----June 30, 2024-----					
Student activities	\$ -	\$ 530,308	\$ -	\$ -	\$ -	\$ 530,308
Professional development	-	-	607,489	-	-	607,489
Membership	20,038	-	-	-	-	20,038
Salaries	79,825	68,281	109,597	286,551	11,598	555,852
Insurance & employee benefits	10,148	15,958	22,722	36,425	1,474	86,727
Payroll taxes & administration	7,363	11,580	16,489	26,432	1,070	62,934
Office operations	16,301	25,637	36,504	58,519	2,369	139,330
Professional fees	5,579	8,773	12,493	20,026	811	47,682
Administrative expenses	334	524	747	1,197	48	2,850
Committee meetings	2,822	4,440	6,322	10,134	410	24,128
Depreciation	459	721	1,027	1,646	67	3,920
Affiliated Association	1,566	2,464	3,508	5,624	228	13,390
<b>Total</b>	<u>\$ 144,435</u>	<u>\$ 668,686</u>	<u>\$ 816,898</u>	<u>\$ 446,555</u>	<u>\$ 18,075</u>	<u>\$ 2,094,649</u>

**MASSACHUSETTS SCHOOL ADMINISTRATORS' ASSOCIATION, INCORPORATED**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Membership</u>	<u>Student Activities</u>	<u>Professional Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
	-----June 30, 2023-----					
Student activities	\$ -	\$ 440,253	\$ -	\$ -	\$ -	\$ 440,253
Professional development	-	-	517,155	-	-	517,155
Membership	10,818	-	-	-	-	10,818
Salaries	95,084	67,272	221,893	218,940	8,382	611,571
Insurance & employee benefits	16,910	21,437	51,993	38,937	1,491	130,768
Payroll taxes & administration	8,328	10,558	25,607	19,177	735	64,405
Office operations	14,660	18,585	45,075	33,755	1,293	113,368
Professional fees	6,190	7,847	19,031	14,252	546	47,866
Administrative expenses	563	714	1,732	1,296	50	4,355
Committee meetings	4,119	5,222	12,666	9,485	363	31,855
Depreciation	264	334	811	607	24	2,040
Affiliated Association	2,395	3,036	7,363	5,514	212	18,520
<b>Total</b>	<b><u>\$ 159,331</u></b>	<b><u>\$ 575,258</u></b>	<b><u>\$ 903,326</u></b>	<b><u>\$ 341,963</u></b>	<b><u>\$ 13,096</u></b>	<b><u>\$ 1,992,974</u></b>

**MASSACHUSETTS SCHOOL ADMINISTRATORS' ASSOCIATION, INCORPORATED**  
**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	\$ 572,114	\$ 130,507
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	3,920	2,040
Unrealized (gain) loss on investments	(57,490)	(74,928)
(Increase) decrease in assets:		
Accounts receivables	(155,570)	116,837
Prepaid expenses	(23,436)	(4,906)
Postretirement benefits overfunded	(101,925)	(80,730)
Increase (decrease) in liabilities:		
Accrued postretirement benefits	(69,259)	(89,905)
Accounts payable and accrued expenses	25,820	42,494
Deferred dues revenue	(2,853)	(4,571)
Deferred program revenue	81,629	(55,375)
Due to related party	349	1,611
Net cash provided (used) by operating activities	273,299	(16,926)
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of property & equipment	(37,590)	-
Proceeds from sale of investments	259,186	186,870
Purchase of investments	(335,267)	(219,154)
Net cash provided (used) by investing activities	(113,671)	(32,284)
<b><u>Increase (Decrease) in Cash</u></b>	159,628	(49,210)
<b><u>Cash and Cash Equivalents, Beginning of Year</u></b>	143,346	192,556
<b><u>Cash and Cash Equivalents, End of Year</u></b>	\$ 302,974	\$ 143,346
<b><u>Supplemental Information</u></b>		
Cash paid for interest	\$ 4,346	\$ 2,564

**Massachusetts School Administrators’  
Association, Incorporated  
June 30, 2024 and 2023**

**Notes to Financial Statements**

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Note 1. Summary of Significant Accounting Policies

Organization and Purpose

The Massachusetts School Administrators’ Association, Incorporated (“the Association”) is a non-profit organization whose purpose is to support the best possible educational opportunities for elementary, middle and high school students throughout Massachusetts by initiating leadership training and providing services designed to improve administration and instruction.

The Association advocates positions on significant statewide educational matters. The Association supports and administers non-athletic activities.

The Association’s support comes primarily from membership dues, professional development initiatives, and non-athletic activities in Massachusetts.

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 School Administrators’  
Association, Incorporated  
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
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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 membership dues, corporate sponsorships, conferences, student activities and student activities dues, under either short-term receivable arrangements or prepayment of fees. Services are provided to schools throughout 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 School Administrators’  
Association, Incorporated  
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 School Administrators’  
Association, Incorporated  
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 payment 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.

Note 4. Cash and Cash Equivalents

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

	<u>2024</u>	<u>2023</u>
Cash	\$ 302,974	\$ 143,346

**Massachusetts School Administrators’  
Association, Incorporated  
June 30, 2024 and 2023**

**Notes to Financial Statements**

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:

	June 30, 2024		
	Cost	Unrealized Gain or (Loss)	Market Value
Equity and debt securities	\$ 1,233,921	\$ 186,917	\$ 1,420,838
Money market funds	<u>23,747</u>	-	<u>23,747</u>
	\$ 1,257,668	\$ 186,917	\$ 1,444,585
Designated to endowment fund	<u>(285,284)</u>	<u>(42,399)</u>	<u>(327,683)</u>
Investments available for sale	<u>\$ 972,384</u>	<u>\$ 144,518</u>	<u>\$ 1,116,902</u>
	June 30, 2023		
	Cost	Unrealized Gain or (Loss)	Market Value
Equity and debt securities	\$ 1,163,922	\$ 129,427	\$ 1,293,349
Money market funds	<u>17,665</u>	-	<u>17,665</u>
	<u>\$ 1,181,587</u>	<u>\$ 129,427</u>	<u>\$ 1,311,014</u>

**Massachusetts School Administrators’  
Association, Incorporated  
June 30, 2024 and 2023**

**Notes to Financial Statements**

Note 5. Investments (continued)

Components of investment return are as follows:

	2024	2023
Unrealized gains (losses)	\$ 57,490	\$ 74,928
Realized gains (losses)	23,632	(8,932)
Dividends and interest	58,443	49,995
Total unrestricted return on investment	\$ 139,565	\$ 115,991
Investment expense	(5,993)	(8,775)
Investment return, net	\$ 133,572	\$ 107,216

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.

(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.

**Massachusetts School Administrators’  
Association, Incorporated  
June 30, 2024 and 2023**

**Notes to Financial Statements**

Note 6. Accounts Receivable

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

	<u>2024</u>	<u>2023</u>
Trade	\$ 182,066	\$ 28,303
Allowance for doubtful accounts	<u>(3,985)</u>	<u>(5,792)</u>
	<u>\$ 178,081</u>	<u>\$ 22,511</u>

Note 7. Property and Equipment

Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Furniture & equipment	\$ 105,595	\$ 68,005
Less: Accumulated depreciation	<u>(68,864)</u>	<u>(64,944)</u>
	<u>\$ 36,731</u>	<u>\$ 3,061</u>

Depreciation charged to operations totaled \$3,920 and \$2,040 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.

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 302,974	\$ 143,346
Investments	1,116,902	1,311,014
Accounts receivable	<u>178,081</u>	<u>22,511</u>
	1,597,957	1,476,871
Less those unavailable for general expenditures within one year:	<u>          -</u>	<u>          -</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,597,957</u>	<u>\$1,476,871</u>

**Massachusetts School Administrators’  
Association, Incorporated  
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. 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.

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

**Massachusetts School Administrators’  
Association, Incorporated  
June 30, 2024 and 2023**

**Notes to Financial Statements**

Note 9. Pension and Other Postretirement Plans (continued)

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

	2024	2023
Accrued postretirement health benefits (overfunded)	(478,604)	\$ (416,221)
Add: Current portion	2,475	3,519
Postretirement benefits (overfunded)	<u>\$ (476,129)</u>	<u>\$ (412,702)</u>
	2024	2023
Accrued pension benefits under (over) funded	<u>\$ (39,542)</u>	<u>\$ 68,215</u>
Accrued vacation and sick pay	<u>\$ 67,535</u>	<u>\$ 54,602</u>
Postretirement obligations current portion	<u>\$ 2,475</u>	<u>\$ 3,519</u>

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**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, 2024 and 2023.

	<u>Pension Benefits</u>		<u>Postretirement Health Benefits</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Postretirement benefit obligation	\$ 918,803	\$ 971,353	\$ 92,009	\$ 134,380
Plan assets at fair value	<u>(958,345 )</u>	<u>(903,138 )</u>	<u>(568,138 )</u>	<u>(547,082 )</u>
Postretirement benefit obligation in excess of plan assets included in the Statements of Financial Position	<u>\$ (39,542)</u>	<u>\$ 68,215</u>	<u>\$ (476,129 )</u>	<u>\$ (412,702 )</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.

	<u>2024</u>	<u>2023</u>
Pension Plan	\$ 28,334	\$ 51,162
403(b) Plan	50,072	48,619
Postretirement health benefits	<u>(81,123)</u>	<u>(70,789)</u>
	<u>\$ (2,717)</u>	<u>\$ 28,992</u>

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

	<u>Pension Benefits</u>		<u>Postretirement Health Benefits</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Service cost – benefits attributed to service during the period	\$ -	\$ (1,070)	\$ 6,258	\$ 6,480
Interest cost on accumulated postretirement benefit obligation	45,540	43,812	6,465	7,217
Expected return on plan assets	(69,915)	(67,874)	(16,431)	(14,978)
Amortization of transition obligation	-	-	1,930	9,502
Prior Service Cost	-	-	(79,345)	(79,345)
Recognition of (gains)/losses	<u>52,709</u>	<u>76,294</u>	<u>-</u>	<u>335</u>
Net periodic postretirement benefit cost deducted in the Statements of Activities	<u>\$ 28,334</u>	<u>\$ 51,162</u>	<u>\$ (81,123)</u>	<u>\$ (70,789)</u>

**Massachusetts School Administrators’  
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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:

	Pension Benefits		Postretirement Health Benefits	
	<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%

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

Asset Class	Pension Benefits		Postretirement Health Benefits	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash	\$ 125,837	\$ 23,981	\$ 11,959	\$ 10,305
Equity securities	318,909	332,747	325,305	324,536
Mutual Funds	175,897	232,171	70,015	71,053
Equity Trusts	<u>337,702</u>	<u>314,239</u>	<u>160,859</u>	<u>141,188</u>
All level one measurements	<u>\$ 958,345</u>	<u>\$ 903,138</u>	<u>\$ 568,138</u>	<u>\$ 547,082</u>

The following benefits are expected to be paid:

	Pension Benefits	Postretirement Health Benefits
2025	\$ 51,656	\$ 2,752
2026	\$ 53,245	\$ 2,927
2027	\$ 53,171	\$ 3,167
2028	\$ 54,690	\$ 3,396
2029	\$ 54,335	\$ 3,668

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**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, 2025	\$	-
June 30, 2026	\$	752
June 30, 2027	\$	3,633
June 30, 2028	\$	3,734
June 30, 2029	\$	3,838

Note 11. Revenue Recognition

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

	June 30	
	<u>2024</u>	<u>2023</u>
Revenue recognized at a point in time		
Association conferences	\$ 938,365	\$ 711,738
Student activities	506,210	457,755
Student activities dues	156,300	99,260
Corporate partnerships	<u>117,674</u>	<u>102,511</u>
Total Revenue recognized at a point in time	\$ 1,718,549	\$ 1,371,264

**Massachusetts School Administrators’  
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**Notes to Financial Statements**

Note 11. Revenue Recognition (continued)

	June 30	
	2024	2023
Revenue recognized over time		
Membership dues	\$ 558,500	\$ 490,675
Total Revenue recognized over time	\$ 558,500	\$ 490,675
Other revenue not subject to ASC 606		
Miscellaneous income	\$ 14,593	\$ 12,671
Total Other Revenue	\$ 14,593	\$ 12,671
 Total Revenue	 \$ 2,291,642	 \$ 1,874,610

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.

The Association receives donations to the Jack and Terry O’Connor Fund for Educational Excellence and Innovation. The Endowment was established to fund programs of excellence and innovation and find ways to share these opportunities that promote school and district improvement. The board of directors approved a match donation of the initial \$150,000 by Jack and Terry O’Connor.

**Massachusetts School Administrators’  
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**Notes to Financial Statements**

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Note 13. Net Assets (continued)

Endowment Funds are comprised of:

Donor Funds – With Donor Restrictions	\$ 127,500
Board Designated Funds-Without Donor Restrictions	\$ 150,000

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 Interscholastic Athletic Association. (“MIAA”). 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 MIAA. 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 The Association for the years ended June 30, 2024 and 2023, respectively. The Association reimburses MIAA monthly. The Association owed \$2,156 and \$1,807 to MIAA at June 30, 2024 and 2023, respectively

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**Notes to Financial Statements**

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Note 15. 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 16. Litigation

From time to time, the Association, or the Associations 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 17. 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.