



IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

Long-Term Financial Planning

NFHS Summer Meeting 2024

Tom Keating - Executive Director

Jessica Morgan – Director of Finance



IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

Step 1: Hire Great People!



Jess Morgan



Chelsea Clark



IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

- Key components of financial resiliency:
 - Solid budgeting strategies
 - Solid accounting practices
 - Solid policies
 - Checks and balances
 - Planning, review, evaluation
 - Long-term planning
 - “Rainy Day” resources





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- Solid budgeting strategies:
 - Involve the “key players”
 - Pay attention to trends
 - Attendance (and impacts)
 - Cost of venues
 - Cost of goods/services/utilities
 - Cost of insurance and other benefits
 - Performance of investments
 - Plan implementation of changes (e.g. officials pay increase rotation)





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- Solid accounting practices:
 - Appropriate software
 - Independent audit
 - Consistent policies and procedures – comply with accounting standards
 - Assets safeguarded
 - Accurate and reliable financial statements
 - Responsible stewardship
 - Effective internal controls
 - Operational efficiency and governance





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- Solid policies:
 - Board approved
 - Aligned with law
 - Communicated with all constituents





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- Checks and Balances:
 - Segregation of duties
 - Required signatures
 - Documentation of expenses/payments





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- Planning, Review, Evaluation:
 - Ongoing
 - Include Director of Finance in State Association Reviews (e.g. seasons)
 - Monthly (minimum) review of financials
 - Red flags (trending over/under budget)
 - Annual
 - Review all sponsor agreements, rights agreements, vendor agreements, venue agreements, etc.
 - Review facility condition, including structure, furnishings, utilities, etc.
 - Review vehicle(s) condition
 - Review attendance, investment performance, merchandise sale, other revenue sources
 - Review insurance, benefit costs, etc.



IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

- Long-Term Planning
 - Create assumptions for revenue
 - Media Rights fees
 - Sponsorships
 - Investment income
 - Attendance (ticket sales revenue, potential ticket increase)
 - Other income



IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

- Long-Term Planning
 - Create assumptions for expenses
 - Salaries & related expenses
 - Utilities
 - General expenses
 - Technology
 - Vehicles
 - Facilities & grounds
 - Athletic event fees
 - Officials
 - Venue fees
 - Host fees



IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

Iowa High School Athletic Association	
Major Assumptions	
Sponsorships	2% based on title sponsor agreement increases over five year agreement
Investment Income	6% average of past five year return history
Salary & Related	4% increase (based on SSA COLA)
	2% of total for incentive increases
	7% increase for health insurance for 5 years, 10% thereafter
Inflation Rate	
General	Federal Reserve target plus 2%; similar to US Bureau of Labor Statistics, Midwest Region CPI
Utilities	Federal Reserve target; energy prices smaller CPI
Capital Expenditures	Copiers - Current lease up March 2025
	Vehicles - 1 per year
	Technology - Every 3 years 50% staff
Net Revenue from Athletics	Officials will receive 5% fee increase on three year rotation
	Fall/Winter/Spring+Summer (24/25 begins with Spring+Summer)
	State venue agreements continue with current increases
	Ticket increase is based on five year average
	Excluding COVID cancelation and reduced attendance, noted calculation tab



IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

- Long-Term Planning
 - Create assumptions for revenue – investment income

Iowa High School Athletic Association											
Investment Income											
	Actuals	Actuals	Actuals	Actuals	Actuals	Budget	Projection	Projection	Projection	Projection	Projection
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Principal (cost)	3,505,768.00	3,716,496.00	3,863,659.00	3,971,522.00	4,396,677.00	4,794,358.00	4,894,358.00	5,194,454.70	5,512,951.78	4,850,977.46	5,148,414.29
Principal (mkt value)	4,065,800.00	4,247,489.00	5,031,704.00	4,738,552.00	5,202,519.00						
Realized Gain	68,766.00	122,610.00	35,535.00	13,367.00	211,994.00	100,000.00	300,096.70	318,497.08	338,025.67	297,436.83	315,674.12
Interest - Securities	227,022.00	214,487.00	171,180.00	161,663.00	185,687.00	100,000.00	300,096.70	318,497.08	338,025.67	297,436.83	315,674.12
Total Income on Investments	295,788.00	337,097.00	206,715.00	175,030.00	397,681.00						
Percentage of Principal MV	7%	8%	4%	4%	8%						
Percentage of Principal C	8%	9%	5%	4%	9%						
				Average % of P MV	6%						
				Average % of P C	7%						

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IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

- Long-Term Planning
 - Create assumptions for expenses – facilities & grounds
 - Facilities
 - Painting, carpet, etc.
 - HVAC, Plumbing, Electrical
 - Roof
 - Parking Lot
 - Furniture
 - Grounds
 - Irrigation system
 - Tree removal





IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

- Long-Term Planning
 - Create assumptions for expenses – facilities & grounds
 - LT maintenance schedule feeds into LT financials

Item	Last Occurrence	Most Recent Vendor	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Downspout Renovation	July-16	KH Grabau Construction			5,167					
Soffit LED Light Fixtures	July-16	Stone Electric			10,450					
6 LED Bollard Outdoor Light Fixtures	December-18	Brown Electric			2,822					
Parking - Asphalt/Finishing	April-03	Blackford Inc								
Concrete Parking Lot	June-07	Steve's Cement Service								
Concrete Paving Repair	June-10	Majors Concrete Co								
Parking Paving & Load Dock Repair	May-21	Majors Concrete Co							3,000	
Replace Concrete	July-12	Majors Concrete Co								
Parking - Asphalt Striping & Seal	April-15	Blackford Inc								
Irrigation System - New Heads - West	November-14	Dayl Inglett Inc	4,946							
Flooring (throughout building)	July 2024	Commercial Interiors								
Carpeting - Exec Director Office	March-05	Redeker's								
Carpeting - Exec Director Sec Office	May-05	Redeker's								
Carpeting - Building	June-05	Redeker's								
Carpeting - West Addition	May-14	RH Grabau Construction								
Tile Flooring - West Addition	May-14	RH Grabau Construction								
Carpet Tiles - Front Entrance	April-15	Floors Inc	1,034							
Lenox AC/Furnace - North Strg Room	February-06	Pritchard Brothers Inc								
Trane AC & Heating	November-08	Halverson Trane								
Room 135 HVAC System	May-09	Halverson Trane								
HVAC System - West Addition	May-14	RH Grabau Construction								
Trane Compressor - Main Bldg - ACCU1	August-19	Trane						13,472		
Trane Compressor - Main Bldg - Small unit	September-19	Trane						5,872		
Update lighting (all)	July-24	Commercial Interiors								
Lighting - Board Room	December-05	Stone Electric								
LED Lamp in Exec Dir Office & adjoining office	January-17	Stone Electric			1,259					
1200 Amp Elec Service	December-08	Nikkel & Associates Inc								
Transformer Pad	January-09	Pritchard Brothers Inc								
Transformer Pad Small Condenser	September-09	Pritchard Brothers Inc								
Fire & Security system	January-15	SEI	27,616							
Phone System	March-16	Valcom Business Ctr		13,611						

Item	Last Occurrence	Most Recent Vendor	2024/25	2025/26	2026/27	2027/28
Life Fitness Treadmill	May-09	2nd Wind Exercise Equipment				
Life Fitness Lifecycle Bike	May-09	2nd Wind Exercise Equipment				
Refrigerator - Kitchen	April-22	Duffy's Appliance				
Refrigerator - Board room	September-16	RH Grabau Construction				
Maytag Washer & Dryer	March-15	Duffy's Appliance				
2- 96x38 Crank table	May-15	Iowa Prison Industries				
Office Furniture - Exec Director	April-05	Redeker's				
Office Furniture	June-05	Redeker's				
Meeting Room Tables & Chairs	July-05	Storey Kenworthy				
Table & 10 chairs - Resource Room	August-09	Redeker's				
Brigade 600 Lateral file	August-14	Staples				
Wooden Storage units	May-15	Redeker's				
Steel Shelving - West Addition	May-14	Uline				
Conference Room Furniture - West Addition	May-14	Redeker's				
Office Furniture - West Addition	May-14	Redeker's				
2017 Ford Flex	August-17	Moffitt's				
2019 Ford Explorer	July-19	Moffitt's				
2021 Ford Escape	February-22	Moffitt's				
2022 Ford Edge	February-22	Moffitt's				
2022 Ford Explorer	July-22	Moffitt's				
Building Refresh	July-23	Commercial Interiors				
HVAC						600,000
Conference Room Furniture			10,000			
Plumbing Updates				50,000		



IOWA HIGH SCHOOL ATHLETIC ASSOCIATION

- Long-Term Planning
 - Create assumptions for net athletics
 - Officials

	Projection	Projection	Projection	Projection	Projection
	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Baseball	2,000.00			2,100.00	
Basketball			4,600.00		
Bowling					
Cross Country		100.00			105.00
Football		4,000.00			4,200.00
Golf					
Soccer	1,500.00			1,575.00	
Swimming			180.00		
Tennis					
Track	400.00			420.00	
Wrestling			1,900.00		

- State venue fees
- Lead up host fees



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- Long-Term Planning
 - Create assumptions for net athletics
 - Increase in ticket fee, leads to increase in lead up host fees

Revenue - Ticket

	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030	Projection 2030-2031	Projection 2031-2032	Projection 2032-2033	Projection 2033-2034
REVENUE - TICKET							
Baseball		198,016.80	198,016.80	198,016.80	198,016.80	198,016.80	198,016.80
Basketball		362,185.50	362,185.50	362,185.50	362,185.50	362,185.50	362,185.50
Bowling		3,722.00	3,722.00	3,722.00	3,722.00	3,722.00	3,722.00
Cross Country		10,726.00	10,726.00	10,726.00	10,726.00	10,726.00	10,726.00
Football		309,425.00	309,425.00	309,425.00	309,425.00	309,425.00	309,425.00
Golf		9,336.00	9,336.00	9,336.00	9,336.00	9,336.00	9,336.00
Soccer		66,288.60	66,288.60	66,288.60	66,288.60	66,288.60	66,288.60
Swimming		6,796.40	6,796.40	6,796.40	6,796.40	6,796.40	6,796.40
Tennis		2,120.67	2,120.67	2,120.67	2,120.67	2,120.67	2,120.67
Track		63,716.40	63,716.40	63,716.40	63,716.40	63,716.40	63,716.40
Wrestling		201,947.20	201,947.20	201,947.20	201,947.20	201,947.20	201,947.20

Expense – Lead up host fee

	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030	Projection 2030-2031	Projection 2031-2032	Projection 2032-2033	Projection 2033-2034
Host Fees: Increase because of ticket							
Baseball		35,927.20	35,927.20	35,927.20	35,927.20	35,927.20	35,927.20
Basketball		59,562.43	59,562.43	59,562.43	59,562.43	59,562.43	59,562.43
Bowling		385.60	385.60	385.60	385.60	385.60	385.60
Cross Country		-	-	-	-	-	-
Football		40,313.11	40,313.11	40,313.11	40,313.11	40,313.11	40,313.11
Golf		-	-	-	-	-	-
Soccer		11,437.67	11,437.67	11,437.67	11,437.67	11,437.67	11,437.67
Swimming		820.18	820.18	820.18	820.18	820.18	820.18
Tennis		-	-	-	-	-	-
Track		5,151.20	5,151.20	5,151.20	5,151.20	5,151.20	5,151.20
Wrestling		12,303.71	12,303.71	12,303.71	12,303.71	12,303.71	12,303.71



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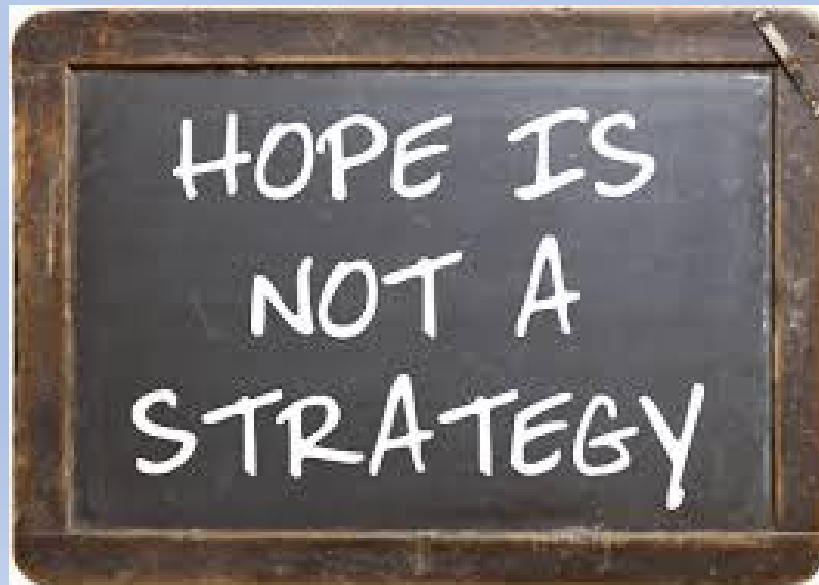
- Long-Term Planning
 - Revenue – Ticket increase

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Avg Attendance	Current Ticket Price	Increase Ticket Price	Increase in Ticket Revenue	Increase in Host Expense	Net Revenue Increase
Baseball												
District		36,667	38,705	41,314	37,577	40,510	38,955	\$ 6	\$ 8	77,909.20	17,919.12	59,990.08
Sub-State		16,236	22,700	25,425	24,078	24,137	22,515	\$ 6	\$ 8	45,030.40	10,356.99	34,673.41
Substate Final		16,296	15,502	17,092	16,473	17,801	16,633	\$ 8	\$ 10	33,265.60	7,651.09	25,614.51
State		25,888	25,720	16,278	18,223	18,420	20,906	\$ 10	\$ 12	41,811.60	-	41,811.60
TOTAL	-	95,087	102,627	100,109	96,351	100,868	99,008			\$ 198,016.80	\$ 35,927.20	\$ 162,089.60
Basketball												
District	67,957	58,973	64,813	52,172	61,696	64,600	63,608	\$ 6	\$ 8	127,215.60	29,259.59	97,956.01
Sub-State	69,945	33,445	36,494	25,113	37,199	38,942	36,520	\$ 6	\$ 8	73,040.00	16,799.20	56,240.80
Substate Final	NA	29,281	31,364	19,745	28,481	28,297	29,356	\$ 8	\$ 10	58,711.50	13,503.65	45,207.86
State	9 52,932	53,766	37,836	40,535	43,740	52,609	51,609	\$ 10	\$ 12	103,218.40	-	103,218.40
TOTAL	9 190,834	175,465	170,507	137,565	171,116	184,448	181,093			\$ 362,185.50	\$ 59,562.43	\$ 302,623.07
Bowling												
State Qualifying	952	782	834	541	938	1,314	964	\$ 6	\$ 8	1,928.00	385.60	1,542.40
State	773	713	813	437	1,093	1,093	897	\$ 10	\$ 12	1,794.00	-	1,794.00
TOTAL	1,725	1,495	1,647	978	2,031	2,407	1,861			\$ 3,722.00	\$ 385.60	\$ 3,336.40
Cross Country												
State			4,457	5,371	5,737	5,887	5,363	\$ 10	\$ 12	10,726.00	-	10,726.00
Football												
First	34,527	51,415	37,316	45,093	61,054	70,866	51,036	\$ 8	\$ 10	102,071.20	11,227.83	90,843.37
Second				30,874	20,537	23,636	22,087	\$ 8	\$ 10	44,173.00	4,859.03	39,313.97
Quarterfinal	30,111	34,278	24,078	20,651	32,823	25,147	29,287	\$ 8	\$ 10	58,574.80	6,443.23	52,131.57
Semi final	28,255	30,405	28,363	17,396	31,869	30,631	29,905	\$ 10	\$ 12	59,809.20	10,167.56	49,641.64
Final	20,038	23,788	22,983	1,410	21,456	23,727	22,398	\$ 10	\$ 12	44,796.80	7,615.46	37,181.34
TOTAL	112,931	139,886	112,740	115,424	167,739	174,007				\$ 309,425.00	\$ 40,313.11	\$ 269,111.89



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- Long-Term Planning
 - Advantages of 10 year Budget Projections
 - Reduces chance for unanticipated costs
 - Avoids unnecessary spending
 - Helps determine timing for changes (increase ticket prices, e.g.)





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- “Rainy Day” Resources
 - Cash
 - Investments
 - Mortgage facility
 - Borrow against investments





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Questions?

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