

MICHIGAN HIGH SCHOOL ATHLETIC ASSOCIATION, INC.

AUDIT AND FINANCE COMMITTEE MEETING

East Lansing, February 15, 2023

Members Present:

Scott Grimes, Grand Haven
Sean Jacques, Calumet
Vic Michaels, Detroit
Fred Smith, Bangor

Staff:

Andy Frushour
Cody Inglis
Lesli Schrauben
Mark Uyl (Recorder)
Kathy Vrugink Westdorp

2023-24 Budget Preparation Schedule –

Feb. 15 Audit and Finance Committee Proposals
March. 24 Representative Council Approval (partial)
April 19 Additional Audit and Finance Committee Proposals and Review
May 7-8 Representative Council Approval

Audit – The audit for fiscal year 2021-22 prepared by the certified accounting firm of Maner Costerisan had been distributed previously, with standard management letters. No concerns were expressed to either the Audit and Finance Committee or staff. The auditors reported that the audit was clean. The MHSAA's finances are strong from a business perspective and its operations are appropriate for its nonprofit status. The committee approved the annual submission of IRS Form 990 for the fiscal year ending July 31, 2022.

Financial Procedures Manual – The Audit and Finance Committee approved the updated Financial Procedures Manual which is the formal document relative to the financial operations of the MHSAA and its mission. The manual supports the internal operations of the MHSAA at the direction of the executive director and the Representative Council.

Reports/Evaluation – The Audit and Finance Committee reviewed and discussed a summary of accounts through Jan. 31, 2023, along with a summary of the general ledger, tournament finances, corporate sponsorships and year-by-year summary of budget surplus/deficit performances.

Budget Planning for 2023-24 – Budget preparations for 23-24 will include no increases in ticket prices and continued use of GoFan for all MHSAA tournament tickets. Discussion took place on budgeting for capital improvements, specifically updates to the MHSAA building in the public areas given the facility is nearing 30 years old. This update project would be done in two phases over the next two budget years. Staff provided draft renderings of improvements that would be made in phase one to the lobby, library and upstairs areas of the complex.

Further conversation topics included consideration of one additional staff position in the late spring of 2023 along with a two-year pilot program of a formal mentoring program, the AD Connection Program. This program would include a small group of recently retired athletic administrators who would be hired part-time to mentor and assist new athletic directors. Finally, staff provided details on an incentive program by the NFHS Network to get more MHSAA member schools to join the Network.

The Audit & Finance Committee approved budget figures for initial planning and the next steps for phase one of the building project along with budget goals for the first year of the AD Connection Program. Adopted.

Once winter tournament financial numbers become more certain, MHSAA staff will regularly update the Audit and Finance Committee members ahead of the April 19 meeting as budget goals and plans for 2023-24 are finalized.

National Federation – The Representative Council has a policy for National Federation Annual Summer Meeting attendance that accomplishes the dual objectives of assuring Michigan has a presence and voice at the meetings while keeping the expenses for such attendance modest. The policy permits, with the president’s discretion, a maximum number of eight Council attendees. If more than that number of Council members wish to attend, those who have attended least recently have priority. The executive director determines which staff will attend based on the content of meetings and the overall cost to the MHSAA. The Audit and Finance Committee approved sending Council members and staff based on the policy stated above. This summer’s meeting will be held in Seattle from June 28-July 2. Adopted.

Personnel Considerations- The Audit & Finance Committee excused the staff members and discussed staff compensation and personnel considerations for 23-24. The Audit and Finance Committee adopted proposals for the Representative Council’s action in March relative to compensation and benefits for staff for the fiscal year 2023-24.

Next Meeting – April 19, 2023, at 9 a.m.