

MICHIGAN HIGH SCHOOL ATHLETIC ASSOCIATION, INC.

AUDIT AND FINANCE COMMITTEE MEETING

East Lansing, April 26, 2017

Members Present:

Scott Grimes, Grand Haven
Vic Michaels, Detroit
Karen Leinaar, Bear Lake
Fred Smith, Benton Harbor

Staff Members Present:

Dan Hutcheson
Peggy Montpas
Tom Rashid
Jack Roberts (Recorder)
Kathy Westdorp
Mark Uyl

2016-17 Year-To-Date – The Audit and Finance Committee reviewed and discussed financial reports for fiscal year 2016-17 through March 31, 2017, which showed performance tracking slightly behind budget projections for 2016-17 and actuals for 2015-16.

The committee was provided updates of revenue received and expenses incurred during April; and based on this information, the executive director projected that for 2016-17 there would be modest additions to cash.

The committee received reports from staff regarding potential venue changes for the Team and Individual Wrestling Finals and the Girls and Boys Basketball Semifinals and Finals.

2017-18 Proposed Budget – The Audit and Finance Committee approved for presentation to the Council on May 7 the complete budget of revenues, operational expenses and capital expenses for 2017-18. The proposed budget continues increased levels of spending for participant health and safety initiatives, to help the MHSAA define and defend educational athletics, to increase service and support to the junior high/middle school level, and to increase efforts to recruit, train and retain officials.

The proposed 2017-18 budget includes the following expenses reported to the Representative Council in March:

- A. Trophies and Medals – The increased expenditure of \$14,063 for 2017-18 is spread through the budget for each sport.
- B. Insurance – The 2017-18 budget includes an additional \$25,000 (estimated) for the cost of Directors and Officers Insurance and an additional \$27,629 (actual) to cover rate increases **and** raise the accident medical insurance coverage from \$500,000 to \$1,000,000.
- C. Broadcasting – The partnership with State Champs Sports Network has a potential during fiscal year 2017-18 of a total cost of \$169,500 up to a gross revenue of \$125,000. An expense of \$100,000 has been transferred in the proposed budget for 2017-18 from the account previously approved for professional PR services to broadcasting, so this has a neutral effect on the budget.

The proposed 2017-18 budget also includes the following MHSAA tournament ticket price changes recommended by the committee:

- Boys and Girls Semifinal Basketball - \$10 (from \$8)
- Football Semifinals - \$7 (from \$6)

Together, these changes, if approved by the Council, would produce revenue sufficient to compensate for approximately half of the increased cost anticipated for conducting the Boys Basketball Finals in 2018.