

MICHIGAN HIGH SCHOOL ATHLETIC ASSOCIATION, INC.

AUDIT AND FINANCE COMMITTEE MEETING

East Lansing, February 13, 2025

Members Present:

Eric Albright, Midland
Sean Jacques, Calumet
Vic Michaels, Detroit
Fred Smith, Bangor

Staff:

Andy Frushour
Cody Inglis
Cole Malatinsky
Andi Osters
Lesli Schrauben
Mark Uyl (Recorder)
Kathy Vrugink Westdorp

The first 2024-25 meeting of the MHSAA Audit and Finance Committee (AFC) was held on February 13, immediately following the February Executive Committee meeting. The following budget preparation schedule was provided to Committee members and staff.

2025-26 Budget Preparation Schedule –

February 13- Audit and Finance Committee Proposals

March 21- Representative Council Approval (partial)

April 9- Additional Audit and Finance Committee Proposals and Review

May 4-5- Representative Council Approval

Audit – The audit for the fiscal year 2023-24, prepared by the certified accounting firm of Maner Costerisan had been distributed in December to the full Council with standard management letters. The audit was again a clean audit with no concerns being expressed to either the AFC or staff. 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, 2024.

Financial Procedures Manual – The AFC 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 AFC reviewed and discussed a summary of accounts through Jan. 31, 2025, along with a summary of the general ledger, tournament finances, corporate sponsorships, and year-by-year budget surplus/deficit performances.

Budget Planning for 2025-26 –Budget preparations for 25-26 will include no increases in ticket prices and continued use of GoFan for all MHSAA tournament tickets. Discussion took place on budgeting for next year while noting significant increases in expenses were approved and are part of this current year's operations.

A proposal on mileage fees for Council and committee members was shared, and the AFC supported an increase in meeting mileage expenses from \$.40 per mile to \$.50 per mile for 25-26. This will be reflected in the 25-26 budget process as a new addition.

The AFC also supported the AD Connection Program becoming a permanent part of MHSAA operations and recommended that the full Council approve this item on March 21. A brief update was also given on the current television contract with FDSN and future plans.

Once winter tournament financial numbers become more certain, MHSAA staff will regularly update the AFC members ahead of the April 9 meeting as budget goals and plans for 2025-26 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, eight Council attendees which can be expanded depending on the location and number of members wishing to attend. The executive director determines which staff will attend based on the content of meetings and the overall cost to the MHSAA. The AFC supported sending Council members and staff based on the parameters stated above. This summer's meeting will be held in Chicago from June 28-July 1. President Albright will provide background to new Council members on the NFHS Summer Meeting, along with expectations for all board members that attend this summer in Chicago.

Personnel Considerations- The AFC excused the staff members and discussed staff compensation and personnel considerations for 25-26. 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 2025-26.

Next Meeting – April 9, 2025, at 9 a.m.