

MICHIGAN HIGH SCHOOL ATHLETIC ASSOCIATION, INC.

AUDIT AND FINANCE COMMITTEE MEETING

East Lansing, February 23, 2011

Members Present:

Vic Michaels, Detroit
Jim Derocher, Negaunee
Karen Leinaar, Bear Lake
Pete Ryan, Saginaw

Staff Members Present:

Tom Minter
Peggy Montpas
Tom Rashid
Jack Roberts (Recorder)
Kathy Westdorp

2011-12 Budget Preparation Schedule –

Feb. 22 Audit and Finance Committee proposals (including personnel);
March 25 Representative Council approval;
April 20 Audit and Finance Committee proposals (remainder of budget);
May 1 & 2 Representative Council approval.

Audit – The Audit and Finance Committee reviewed standard communications from the accounting firm of Maner Costerisan and approved the audit for fiscal year 2009-10.

Reports/Evaluation – The Audit and Finance Committee reviewed and discussed a summary of accounts and general ledger through Jan. 31, 2011; audited tournament financial reports for fiscal years 2006-07 through 2009-10; and a comparison of tournaments in fall of 2010 with fall of 2009. Special attention was devoted to non-tournament revenue which may grow to 25 percent of all revenues during 2010-11. The approved capital budget for 2010-11 and capital expenditures year-to-date and needed during 2011 were reviewed.

Diversification of MHSAA revenue sources is an important objective of the MHSAA in order to generate surplus funds for three general purposes:

1. Long-Term – To increase payments to member schools, both through larger reimbursements for MHSAA tournament hosting and/or participation and through expanding revenue-sharing initiatives.
2. Mid-Term – To reestablish reserves to protect against business interruption or other sudden losses.
3. Short-Term – To fund capital projects related to building and equipment, and to expand services to member schools.

The Audit and Finance Committee expressed support for an initiative for expanded services and authorized staff to prepare a business plan for the Representative Council's action in March.

MHSAA Tournament Financial Policies – The following existing policies were reviewed:

- Tournament Ticket Prices
- Final Tournament Team Reimbursements
- Tournament Host Payments
- Tournament Managers Honoraria
- Tournament Officials Fees
- Tournament Scorers & Timers Fees
- Trophy & Medal Summary

The Audit and Finance Committee approved the following proposals to the Representative Council in March that would represent changes in these policies.

1. Increase ticket prices for Swimming & Diving Preliminaries and Finals from \$7 to \$8.
2. Increase the fee paid to line judges at Girls Volleyball Regional Tournaments and beyond from \$15 to \$35 per match.
3. Increase the fee paid to soccer officials at the Semifinals from \$60 to \$65.

Insurance – The current MHSAA Insurance Manual was reviewed.

Investment Policy – The Audit and Finance Committee approved for the Representative Council's action in March revisions in the Investment Policy of the MHSAA last approved on March 23, 2007.

National Federation – The Audit and Finance Committee will present to the Representative Council in March a policy for National Federation Annual Meeting attendance that will accomplish the dual objectives of assuring Michigan has a presence and voice at the meetings and keeping the expenses for such attendance modest. A maximum number of attendees will be recommended, and if more than that number of Council members wish to attend, those who have attended least recently would have priority. The executive director will determine which, if any, staff will attend based on the content of meetings and the overall cost to the MHSAA.

Personnel Considerations – The Audit and Finance Committee adopted proposals for the Representative Council's action in March relative to compensation and benefits for staff for fiscal year 2011-12.