

MICHIGAN HIGH SCHOOL ATHLETIC ASSOCIATION, INC.

AUDIT AND FINANCE COMMITTEE MEETING

East Lansing, April 21, 2021

Members Present:

Scott Grimes, Grand Haven
Vic Michaels, Detroit
Karen Leinaar, Bear Lake
John Thompson, Brighton

Staff Members Present:

Andy Frushour
Peggy Montpas
Tom Rashid
Mark Uyl (Recorder)
Kathy Westdorp

2020-21 Year-To-Date – The Audit and Finance Committee reviewed and discussed financial reports for fiscal year 2020-21 through March 31, 2021. Staff provided a report on the impact of COVID-19 to the current year budget; the most recent estimate projects a “break even” budget year for the association at the conclusion of spring sports. While revenues have been greatly reduced in 2020-21 due to government limitations on crowds and gatherings, staff and member schools have been able to greatly reduce expenses for tournament operations at nearly the same rate. The MHSAA was able to secure a second round of Payroll Protection funds through the federal government’s CARES Act that has provided much needed help for payroll costs in the short term. Discussion also took place on possible contingency plans and options regarding the 2021-22 school year in light of the degrees of normalcy that member schools will experience over the next several weeks and months. The MHSAA currently has a line of credit through its bank with current savings serving as collateral that helped with expenses during the spring, summer and early fall of 2020 which were times of little to no association revenue.

National Federation – The 2021 NFHS Summer Meeting will be held this summer with limited numbers of staff and Council members attending. The Audit and Finance Committee approved limited staff attendance and attendance of up to six Council members.

Personnel Considerations – The Audit and Finance Committee received an update relative to staffing plans for 2021-22 in light of upcoming retirements and departures. There will again be no increases in compensation and benefits for staff for fiscal year 2021-22 given the COVID-19 pandemic’s impact on the current fiscal year and next year’s budget.

2021-22 Proposed Budget – The Audit and Finance Committee approved for presentation to the Representative Council on May 3 the complete budget of revenues, operational expenses and capital expenses for 2021-22. This included reductions to expenses in the next fiscal year and this process remains complex given ongoing financial uncertainties in light of the COVID-19 pandemic. The draft budget includes approval of modest increases in ticket prices beyond the entry level of most tournament sports; there will be no increase in District ticket prices in 2021-22.

Committee members provided staff good suggestions and input on additional potential areas for savings in light of these challenging times in reducing expenses as much as possible. The committee members also challenged staff to seek new revenue sources along with focusing on ways to save money or reduce expenditures. It was suggested that staff continue to find ways to aggressively market the MHSAA brand, benefits and opportunities of school-based athletics.