

**MICHIGAN HIGH SCHOOL ATHLETIC ASSOCIATION, INC.**

**AUDIT AND FINANCE COMMITTEE MEETING**

East Lansing, April 22, 2020

**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

2019-20 Year-To-Date – The Audit and Finance Committee reviewed and discussed financial reports for fiscal year 2019-20 through April 16, 2020. Staff provided a report on the impact of COVID-19 to the current year budget. The most recent estimate places the negative impact of winter and spring tournament cancellations, along with other pandemic-related effects, at approximately \$900,000. The MHSAA was able to secure Payroll Protection funds through the federal government's CARES Act that will provide much needed help for payroll costs in the short term. Discussion also took place on possible contingency plans and options regarding the 2020-21 school year in light of the degrees of normalcy that member schools will experience over the next several weeks and months.

National Federation – The 2020 NFHS Summer Meeting will be held virtually this summer, with no staff or Council member travel or expenses being necessary. Staff will share the schedule of the virtual sessions to involved staff and interested Council members when it becomes available from the National Federation.

Personnel Considerations – The Audit and Finance Committee adopted an updated proposal for the Representative Council's action in May relative to compensation and benefits for staff for fiscal year 2020-21, given the COVID-19 pandemic's impact on the current fiscal year and next year's budget.

2020-21 Proposed Budget – The Audit and Finance Committee approved for presentation to the Representative Council on May 4 the complete budget of revenues, operational expenses and capital expenses for 2020-21. This included reductions to expenses in the next fiscal year; and this process has never been more complex, given today's uncertainties in the future weeks and months ahead in light of the COVID-19 pandemic. Given the anticipated challenging financial times for member schools and families, the proposed 2020-21 budget includes no increases in ticket prices or officials registration fees. The proposed budget reflects a spring sport fee "credit" for renewing baseball, softball and lacrosse officials who were registered in 2019-20. The committee also took action on a recommended change in the Predistrict football revenue split between the competing schools and the MHSAA that was first discussed by the Audit and Finance Committee back in February.

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.