

MICHIGAN HIGH SCHOOL ATHLETIC ASSOCIATION, INC.

AUDIT AND FINANCE COMMITTEE MEETING

East Lansing, February 18, 2015

Members Present:

Vic Michaels, Detroit
Scott Grimes, Grand Haven
Karen Leinaar, Bear Lake
Pete Ryan, Saginaw

Staff Members Present:

Peggy Montpas
Tom Rashid
Jack Roberts (Recorder)
Kathy Westdorp

2015-16 Budget Preparation Schedule –

Feb. 18	Audit and Finance Committee proposals (including personnel);
March 27	Representative Council approval;
April 22	Audit and Finance Committee proposals (remainder of budget);
May 4	Representative Council approval.

Audit – The audit for fiscal year 2013-14 prepared by the certified accounting firm of Maner Costerisan had been distributed previously, with standard management letters, to all Representative Council members. No concerns were expressed to either the Audit and Finance Committee or staff. The auditors reported that the audit was clean. The MHSAA's finances are strong from a business perspective and its operations are appropriate for its nonprofit status.

The IRS Form 990 for fiscal year ending July 31, 2014, was reviewed and approved by the committee.

Reports/Evaluation – The Audit and Finance Committee reviewed and discussed a summary of accounts and general ledger through Jan. 31, 2015; audited tournament financial reports of direct revenue and expenses for fiscal years 2010-11 through 2013-14; and a comparison of tournaments in fall of 2014 with fall of the four previous years, and a closer look at fall tournaments over the past nine years; sources of revenue over the past three years, and a closer look at sources of non-tournament revenue.

National Federation – The Representative Council has a policy for National Federation Annual 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, a maximum number of eight Council attendees; and if more than that number of Council members wishes to attend, those who have attended least recently have priority. The executive director determines which, if any, staff will attend based on the content of meetings and the overall cost to the MHSAA. The Audit and Finance Committee approved a recommendation for Council expense reimbursement to the June 28-July 2, 2015 NFHS meeting in New Orleans.

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 2015-16.

Financial Procedures – Ongoing finance-related activities of MHSAA staff were reviewed, including: (1) the annual update of the Financial Procedures Manual provided to the committee in August; (2) the twice-yearly Update of Insurance last provided to the committee in January; and (3) the annual update of the MHSAA Business Continuation/Emergency Response Plan, last provided to the committee in January.