

NORTH CAROLINA HIGH SCHOOL ATHLETIC ASSOCIATION

REPORT OF THE FINANCE & PERSONNEL COMMITTEE

The following items are to be discussed by the Finance & Personnel Committee, and ultimately shared with the full Board of Directors during the NCHSAA Board of Directors meeting:

Committee Members:

Rodney Shotwell, Chairman
Tony Baldwin, Vice Chair
Carla Black
Ron Butler
Bill Miller

Staff:

Que Tucker
Karen DeHart

AGENDA ITEMS:

1. Follow-up items from May 2015 Board Meeting

a. Recommendation:

Discussion Only; NO ACTION

Review of items:

- i. UPMIFA Policy
- ii. Distribution of 60% of interest revenue from general Association investments
- iii. Investment of restricted endowment funds from sweep account to One Providence
- iv. Budgeting for entertainment tax in championship event budgets
- v. Insurance policy review completed

b. Point(s) of Discussion:

- i. The UPMIFA language has been added to the investment policy statements and these have been distributed to each management entity.
- ii. 60% of interest earned on general Association investments was distributed back to schools in July 2015. 60% of interest for this purpose was \$50,641.27.
- iii. Restricted funds from sweep account were invested with One Providence in the amount of \$453,247.15 in July 2015.
- iv. Championship budgets were increased across the board to account for rising costs but do not specifically reflect entertainment tax expenses.
- v. Insurance policies were reviewed by outside parties last spring and the decision was made at that time to "stay the course". We will continue to monitor benefits versus cost to maintain.

Approved _____

Denied _____

Tabled _____

2. Review of finalized 2014-2015 Budget (Attachment F/P 1)

a. Recommendation:

Discussion only. NO ACTION.

b. Point(s) of Discussion:

- i. Playoff revenues were solid - received \$230,000+ more than budgeted despite lower football revenues than budgeted. All other playoffs yielded higher revenues than budgeted.
- ii. Corporate revenues yielded \$47,188 more than budgeted while other revenues also exceeded anticipated budgeted amount by \$245,722.
- iii. Salaries/Benefits were under budget by \$13,063 and all other line items were under budget except Office supplies/expenses, Team expenses, and Insurance. Office supplies/expenses exceeded budgeted amount by \$17,717, team expenses, specifically championship expenses, were higher than budgeted by \$73,950. Insurance expenses were \$3,954 over budget.

Approved _____

Denied _____

Tabled _____

3. 2015-2016 Budget (Attachment F/P 2)

a. Recommendation:

Approve the 2015-16 budget.

b. Rationale:

Funds needed to operate the NCHSAA office, championships, and special programs.

c. Budget Impact:

Budgeted \$4,223.526 in revenues and \$4,218,921 in expenses for positive of \$4,605.00

d. Educational Impact:

Educational, leadership, and championship programs for our 405 high schools and 200,000+ student-athletes

e. Equity Impact:

Allows opportunities in-line with Strategic Plan.

f. Effective Date:

July 1, 2015

g. Point(s) of Discussion:

- i. Nothing of note at this time. Playoff revenues incoming and will be reflected in November end-of-month statement.

Approved _____

Denied _____

Tabled _____

4. Review of final 2014-15 Sports Comparisons (Attachment F/P 3)

a. Recommendation:

Discussion only; NO ACTION.

b. Point(s) of Discussion:

- i. Gross revenues up slightly from previous year; attendance remained fairly

static.

- ii. Team expenses, host school expenses, Association expenses increased.
- iii. Allocated corporate monies up by \$47,813.53.
- iv. Net Playoff increase overall by \$21,131.70 from 2013-14 year.
- v. Football revenues and attendance down significantly as were Teams' shares.

Approved _____ Denied _____ Tabled _____

5. 2015-2016 Sports Comparisons, to-date (To be provided at the Board Meeting, Attachment F/P 4)

a. Recommendation:

Discussion only; NO ACTION

b. Point(s) of Discussion:

- i. Nothing of note at this time as playoff revenues and expenses are incoming.

Approved _____ Denied _____ Tabled _____

6. Investment Summary Update (Attachment F/P 5)

a. Recommendation:

Discussion only; NO ACTION.

b. Point(s) of Discussion:

- i. Review of investments by category and management entity; running summary of investments since 2007.
- ii. Largest investments are the Endowment investments. Money manager holding most funds is Morgan Stanley.
- iii. Steady growth with exception of last quarter during which we see a decline in value in both Endowment and Association investments.

Approved _____ Denied _____ Tabled _____

7. 2014-2015 Audit Review- Blackman & Sloop will present (To be provided at the Board Meeting, Attachment F/P 6)

a. Recommendation:

Approve the 2014-15 audit .

b. Rationale:

To ensure compliance with Federal and State laws.

c. Budget Impact:

Blackman & Sloop will report.

d. Effective Date:

12/3/2015

e. Point(s) of Discussion:

- i. Blackman & Sloop will report.

Approved _____ Denied _____ Tabled _____

8. Funds Distributed Back to Member High Schools (Attachment F/P 7)

a. Recommendation:

Discussion only; NO ACTION.

b. Point(s) of Discussion:

i. In 2014-15, \$1,446,622.02 was distributed to member schools.

ii. For years 2010-11 through 2014-15, the average amount of funds distributed to member schools was \$1,115,029.50 per year.

Approved _____ Denied _____ Tabled _____

9. Strategic Plan Update and Future Considerations (Attachment F/P 8)

a. Recommendation:

Discussion only; NO ACTION

b. Point(s) of Discussion:

Review status of completed Strategic Plan items and review future plan.

Approved _____ Denied _____ Tabled _____

10. Live Television Update (To be provided at the Board Meeting, Attachment F/P 9)

a. Recommendation:

Approve provision of a minimum "share" in the amount of \$500 each to the schools hosting live football and \$350 each to schools hosting live basketball games through Time Warner Cable SportsChannel.

b. Rationale:

Funds will assist in underwriting a portion of expenses incurred by host high schools.

c. Budget Impact:

Cost will be \$3,000 for football host schools and \$2,100 for basketball host schools. Total expense to NCHSAA will be \$5,100 for the 2015-16 year. Funds will come from TWC sponsorship fee and will be paid to the host schools at the conclusion of the respective sports season.

d. Educational Impact:

Live television positively impacts high schools through promoting their programs (athletic and non-athletic) and aids in generating school spirit and a sense of community.

e. Equity Impact:

Financially assists schools who agreed to move their games off of traditional game dates to play on live television. All host schools of live games will receive same amount of funds.

f. Effective Date:

12/3/15

Approved _____ Denied _____ Tabled _____

11. Staff & Personnel Update

a. Recommendation:

Discussion only; NO ACTION.

b. Point(s) of Discussion:

- i. Hired PT Health and Safety Consultant - Ken Brown
- ii. Other as determined by Commissioner and Finance Committee

Approved _____

Denied _____

Tabled _____