

NORTH CAROLINA HIGH SCHOOL ATHLETIC ASSOCIATION

REPORT OF THE PERSONNEL AND FINANCE COMMITTEE

The following action items were recommended by the *Personnel and Finance* Committee to the full Board of Directors during the April 29-30, 2014 NCHSAA Board of Directors meeting:

Committee Members:

Bill Miller

Mo Green

Allison Sholar Osmon

Angie Miller

Rodney Shotwell

Staff:

Davis Whitfield

Karen DeHart

AGENDA ITEMS:

1. Follow up Finance Committee from December 2013

a. Recommendations: NO ACTION. Discussion Only.

b. Point of Emphasis:

- i. Monthly Bank Reconciliations
- ii. Football Travel Reimbursements
- iii. Review of staff diversity within financial entities

2. Review of 2013-14 Budget and Actual to-date (Report provided at Meeting - Attachment 18)

a. Recommendation: NO ACTION. Discussion Only.

b. Point of Emphasis:

- i. Football revenue deficit of \$97,000 from 2013-14 budget
- ii. Endowment Game revenue over \$118,000 above 2013-14 budget
- iii. Auto Expenses higher due General Counsel and value of cars
- iv. Regional Meeting expenses higher due to technology upgrades and travel expenses of non-traditional school presenters
- v. Catastrophic Insurance expense was approximately \$2,500 over budget due to increase in schools and number of student-athletes
- vi. 100th Anniversary Expenses approximately \$21,000 over budget

3. Review of 2013-14 Sports Comparisons (Report provided at Meeting - Attachment 19)

a. Recommendation: NO ACTION. Discussion Only.

b. Point of Emphasis:

- i. Gross revenues were up for all fall sports with exception of football playoffs which was down considerably from previous year; playoff attendance at football events was down 59,000 people
- ii. Schools' revenues shares were up in both volleyball (about \$25k) and men's soccer (approx. \$44k).

- iii. NCHSAA net up in VB, M. soccer, XCO, Cheerleading and less loss in indoor track than previous years.

4. Investment Updates (Report provided at Meeting – Attachment 20)

- a. Recommendation: NO ACTION. Discussion Only.
- b. Point of Emphasis:
 - i. Presentations were provided by all financial entities

Approved _____ Denied _____ Tabled _____

5. Investment Policies Review (Attachments 21 & 22)

- a. Recommendation: NO ACTION. Discussion Only.
- b. Point of Emphasis:
 - i. Policy review and recommendations from current investment portfolio managers
 - Morgan Stanley, Wittenberg & Associates, Wells Fargo, BB&T

6. Pre-event Championship Ticket Sales

- a. Recommendation: NO ACTION. Discussion Only.
- b. Point of Emphasis:
 - i. By incentivizing participating schools to sell more pre-sale tickets, we hope to generate more enthusiasm and higher attendance numbers at state championships.
 - ii. Positive impact on the participating schools' revenues associated with the respective events.
 - iii. Positive impact on the NCHSAA's general operating budget.
 - iv. All participating schools will have the opportunity to receive additional funds for their sales efforts and generate more community and school support for their participation in the state championship events in the sports of basketball and football.
 - v. Consider \$1.00 direct distribution to participating school for every pre-sale ticket sold, up to \$1,000.00.

7. NCHSAA Building Loan (Report provided at Meeting – Attachment 23)

- a. Recommendation: Accept offer as proposed by Wells Fargo commercial lending.
- b. Rationale: Interest rate of 2.64% over five years is best of the various companies selected to provide rates/terms. No Fee and no restrictions. Wells Fargo continues to support the NCHSAA programming and services for member high schools and has done so for decades.
- c. Budget Impact: NCHSAA will need to repay the loan in time with interest.
- d. Educational Impact: Building renovation affords NCHSAA opportunity to improve workspace and technology to enhance services and programming to membership.
- e. Equity Impact: NA
- f. Effective Date: 4/30/14

Approved _____

Denied _____

Tabled _____

8. Budget Resolution Document (Attachment 24)

- a. Recommendation: Approve Budget Resolution Document as presented.
- b. Rationale: The NCHSAA operates on a July 1 through June 30 fiscal year and therefore, at the spring meeting in May, it is not possible to present an accurate operating budget for the next fiscal year since the current fiscal year has not yet ended. The Commissioner needs to have funding to operate moving into the next fiscal year and this document will grant such authority based upon the previous year's budget.
- c. Budget Impact: Allows the NCHSAA continued operation into the next fiscal year prior to winter Board Meeting budget approval.
- d. Educational Impact: Allows the NCHSAA the opportunity to provide continued service and programming to member schools and student-athletes moving into the next school/fiscal year.
- e. Equity Impact: NA
- f. Effective Date: 7/1/14

Approved _____

Denied _____

Tabled _____

9. Ticket Prices for Regional and Championship Games in Football and Basketball

- a. Recommendation: Increase ticket pricing for regional and state championship events in football and basketball. Increase regional pricing as follows:

<u>Football Regional Games:</u>	Pre-Sale tickets:	from \$7.00 to \$8.00
	Game day tickets:	from \$8.00 to \$10.00
<u>Football Championships:</u>	Pre-Sale tickets:	from \$9.00 to \$10.00
	Game day tickets:	from \$10.00 to \$12.00
<u>Basketball Regional games:</u>	Pre-Sale tickets:	from \$9.00 to \$10.00
<u>Basketball Championships:</u>	Game day tickets:	from \$10.00 to \$12.00
- b. Rationale: Provides additional funds back to schools; In-line with ticket pricing at other Section III state associations and still offers "bang for the buck" entertainment value.
- c. Budget Impact: Opportunity to increase participating schools' and NCHSAA's revenue shares – passed along to consumer.
- d. Educational Impact: Potentially offers schools additional revenues to utilize at the local school level as needed.
- e. Equity Impact: Directly impacts participating schools' revenue shares; indirectly affects all member schools opportunity to receive additional funding back at end of fiscal year, depending upon potential operating budget overage.
- f. Effective Date: 7/1/14

Approved _____

Denied _____

Tabled _____

10. Cheerleading Invitational Registration Fee

- a. Recommendation: Adjust Cheerleading Invitational team registration amount from \$20 per cheerleader to \$25.
- b. Rationale: Currently, the registration rate of \$20 is well below the typical registration price for cheerleading competitions of this caliber; most charge in excess of \$40 per registrant. Expenses associated with the cheerleading invitational event continue to rise annually and this price adjustment will help offset the rising costs.
- c. Budget Impact: Will increase revenue stream to NCHSAA to allow for offsetting of event-related expenses.
- d. Educational Impact: NA
- e. Equity Impact: All cheerleading teams registering of the Invitational event will be charged the same event registration price (excludes late entries)
- f. Effective Date: 7/1/2014

Approved _____

Denied _____

Tabled _____

11. Cheerleading Invitational Late Registration Fee

- a. Recommendation: Adjust Cheerleading Invitational late registration from a flat rate of \$150 per team to \$30 per cheerleader.
- b. Rationale: Schools continue to miss the established registration deadline which hinders the ability of Cheer LTD to coordinate the event program and event schedule.
- c. Budget Impact: May increase late fee to schools depending upon number of team members per squad.
- d. Educational Impact: NA
- e. Equity Impact: All schools registering a team past the established deadline will pay the same amount of late fee.
- f. Effective Date: 7/1/2014

Approved _____

Denied _____

Tabled _____

12. Staff Updates (Report provided at Meeting – Attachment 25)

- a. Recommendation: NO ACTION. Discussion Only.
- b. Point of Emphasis:
 - i. General Counsel position
 - ii. Employee health insurance premiums for 2014-15
 - iii. Staff Evaluations
 - iv. Staff Raise
 - v. Staff Restructuring