

FINANCE/PERSONNEL COMMITTEE

Committee Members: Ron Butler, Joe Poletti,
Darrin Hartness, Brooks Matthews, Sandy
George, Rodney Shotwell

Staff: Que Tucker, Karen DeHart

AGENDA ITEM	RECOMMENDATION	SUPPORTING INFORMATION
<p>1. Follow-Up items from May 2016 Board Meeting</p> <p>(REPORT WILL BE PROVIDED AT BOARD MEETING, Attachment F/P 1)</p>	<p>1. Insurance Investment Policies: Recommend that we cash policies in for surrender value and reinvest in more solid and traditional investment option.</p> <ul style="list-style-type: none"> - Approval Needed <p>2. Cheerleading Scholarships established</p> <ul style="list-style-type: none"> - Information Only <p>3. Town of Chapel Hill grant update</p> <ul style="list-style-type: none"> - Information Only 	<p>Rationale: #1: Association currently owns 10 variable life policies with cash surrender value of \$26,130.17, cost basis of \$72,254.00 and death benefit of \$50,000 each; 27 Dividend paying whole life policies with cash surrender value of \$608,384.94, cost basis of \$501,732.00 and death benefit of \$50,000 each; and 32 interest sensitive whole life policies valued at 1,673,298.00, cost basis of \$1,027,802.00 and death benefit of \$2,469,676.00. Policies were purchased in early 1990's as investment tools with NCHSAA as death beneficiary. Some policies are now requiring premium payments to maintain and over time, all policies will begin to decrease in value. In order to reap the death benefit, Association must be able to contact the deceased's family (difficult to maintain current address for people) and solicit proof of death which is awkward at best.</p> <p>Budget Impact: For the 10 variable life policies, their value is already decreased beyond cost and based upon age of the insured, it may be some time before the death benefits can be realized. For the 27 whole life policies and</p>

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		<p>32 other whole life policies, the current value exceeds the cost and again, given age of insureds, death benefit realization will be many years away. Cashing in the policies for surrender value now will alleviate the issues surrounding the tracking of the insured as well as securing death certificates if we are even aware that an insured dies. In addition, funds can be reinvested with existing portfolio to grow funds and provide opportunities for Association to further assist schools through creative funding solutions.</p> <p>Educational Impact: NA</p> <p>Equity Impact: NA</p> <p>Effective Date: TBD</p>

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<p>2. Audit report, year ending 6/30/2016</p> <p>(REPORT WILL BE PROVIDED AT BOARD MEETING, Attachment F/P 2)</p>	<p>Approve the 2015-16 audit as presented by Blackman & Sloop.</p>	<p>Rationale: To ensure compliance with Federal and State laws.</p> <p>Budget Impact: Blackman & Sloop will report.</p> <p>Educational Impact: NA</p> <p>Equity Impact: NA</p> <p>Effective Date: 12/1/2016</p>
<p>3. 2016-17 budget review</p> <p>(REPORT WILL BE PROVIDED AT BOARD MEETING, Attachment F/P 3)</p>	<p>Approve 2016-17 Budget.</p>	<p>Rationale: Funds are needed to operate the NCHSAA office, championships and special programs.</p> <p>Budget Impact: Budgeted \$4,214,652.00 in revenues and \$4,205,100.00 in expenses for the 2016-17 year for positive revenues of \$9,552.00.</p> <p>Educational Impact: Educational, leadership, and championship programs for our 409 high schools and 200,000+ student-athletes</p> <p>Equity Impact: Allows opportunities in-line with Strategic Plan.</p> <p>Effective Date: July 1, 2016</p>

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<p>4. Playoff ticket prices- lacrosse</p> <p>(HANDOUT WILL BE PROVIDED AT BOARD MEETING, Attachment F/P 4)</p>	<p>Approve increasing lacrosse playoff ticket price from current \$5.00 charge to \$6.00 per ticket for 1st through 4th round and from current \$5.00 to \$7.00 per game for regional round.</p>	<p>Rationale: To maintain consistent ticket pricing across sports similar in nature.</p> <p>Budget Impact: Slightly impacts the consumer as the ticket price increases by \$1.00 per ticket. Playoff revenues will be positively impacted for NCHSAA and participating schools.</p> <p>Educational Impact: NA</p> <p>Equity Impact: Provides consistent ticket costs.</p> <p>Effective Date: Immediately</p>
<p>5. Allowable reimbursement in basketball playoffs</p> <p>(HANDOUT WILL BE PROVIDED AT BOARD MEETING, Attachment F/P 5)</p>	<p>Approve revising wording in NCHSAA Handbook, Section 4.3.2 (n) to reflect adoption of a Team Expense and Financial Arrangement policy similar to what is currently implemented for the team sports of volleyball, soccer, lacrosse, softball and baseball.</p>	<p>Rationale: Currently the basketball playoff expense formula for rounds one through four is not consistent with the other team sports of volleyball, soccer, lacrosse, softball and baseball. While the regional basketball format changed from 4th round played at a neutral site to the higher seeded school in the 2015 school year, the Team Expense formula/process was not modified.</p> <p>Budget Impact: Provides basketball teams participating in the first four rounds with equal revenue distribution after expense formula is applied and is consistent with other team sports of volleyball, soccer, lacrosse, softball and baseball.</p> <p>Educational Impact: NA</p> <p>Equity Impact: Teams participating in basketball playoff rounds one, two, three and four will be treated consistently with teams participating in other the other team sports of volleyball, soccer, lacrosse, softball and baseball.</p> <p>Eff Date: Immediately</p>

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<p>6. DISCUSSION ITEM: Final 2015-16 sports comparisons and 2016-17 comparisons, to-date (REPORT WILL BE PROVIDED AT BOARD MEETING, Attachment F/P 6)</p>	<p>Review finalized sports comparisons from 2015-2016 year versus previous years.</p>	<p>Points of Emphasis:</p> <ol style="list-style-type: none"> 1. <u>VB</u>: Playoff attendance up from last year by 3115. NCHSAA net was up by about \$4800. 2. <u>Cross-country</u> attendance up from last year by 516; team, NCHSAA expenses up \$9622 and NCHSAA net down by \$6,280. 3. <u>Cheer</u> revenues up from registration, vendors; NCHSAA expenses also up from previous year and net was slightly less but not significant. 4. <u>Men's Soccer</u>: Attendance, team expenses, NCHSAA expenses, and corporate funds were relatively consistent with last year; Schools' and NCHSAA shares were down from previous year. 5. <u>Football</u>: Revenues and expenses were higher this year than last. Best revenue in past 3 years but not at the level we saw in 2012-13. 6. <u>Indoor Track</u>: Attendance up by 444 from previous year; Team and NCHSAA expenses increased and net loss to NCHSAA was \$3,935.49 more than last year. 7. <u>Wrestling</u>: Schools shares and attendance were up slightly over previous year while gross revenues, team and NCHSAA expenses were slightly decreased; allocated sponsorship monies, and NCHSAA Net were less than previous year. 8. <u>Basketball</u>: gross revenues, attendance, schools' shares were all higher this year than last. Team expenses, allocated sponsorship monies and NCHSAA net were down from 2014-15. Expenses paid by host school in playoffs were up. 9. <u>Lacrosse</u>: Gross revenues, attendance, schools' shares and NCHSAA net were all less in 2015-16 than previous year while team expenses remained fairly consistent and NCHSAA expenses and corporate revenue allocated to the event increased. 2015-16 was first year that we modified financial reports to include expenses paid by

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		<p>host school playoffs which were reported as \$17,059.71.</p> <p>10. <u>Women's soccer</u>: Financials are fairly consistent with previous year with exception of implementing expenses paid by host school playoffs was reported as \$40,020.99 and schools' shares were down by almost \$40,000.</p> <p>11. <u>Track & Field</u>: Gross revenues were up by \$10k over previous year; Attendance, team expenses and schools' shares were consistent to last year; NCHSAA expenses were down by about \$12k, sponsorship allocated monies was slightly less and NCHSAA actually netted revenues of \$18,156.11.</p> <p>12. <u>Softball</u>: Gross revenues and NCHSAA expenses were up slightly; attendance, NCHSAA Net and team expenses were consistent; Corporate dollars allocated was up slightly; schools' shares were down by \$27,916 and expenses paid by host school playoffs was reported as \$31,453.85.</p> <p>13. <u>Baseball</u>: Gross revenues were down by \$56,791.41 and attendance was down by 10,698 people; Schools' shares were down by \$70,183.52 while NCHSAA Net was down by \$18,625.34. Expenses paid by host school playoffs were reported as \$32,017.44. Weather was a major issue with baseball playoffs in 2015-16.</p> <p>Overall, Gross revenues for 2015-16 were up by 366,860, attendance was up by 52,774 in collective playoffs, allocated sponsorship monies was down by \$45,886; Adding 'expenses paid by host school playoffs for other team sports totaled \$711,870.39 which is significantly more than previous year when we did not breakout that figure. Team expenses and travel and NCHSAA Net were fairly consistent.</p>

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7. DISCUSSION ITEM: Review of Investment Summaries (REPORT WILL BE PROVIDED AT BOARD MEETING, Attachment F/P 7)	Review of summarized report based on reports received from all investment management groups.	Points of Emphasis: Review of investments by account, by fund and per reports received from money management companies. Largest investments are the Endowment investments. Money manager holding most funds is Morgan Stanley.
8. DISCUSSION ITEM: Review of funds distributed to membership	Discussion only; NO ACTION	Points of emphasis: In 2015-16, \$1,540,720.94 was distributed to member schools. For past 6 years (2010-11 through 2015-16), a total of \$5,575,104.17 was distributed to member high schools.
9. DISCUSSION ITEM: Updates of live televised football games (TWC) and upcoming live basketball games.	Discussion only; NO ACTION	Points of emphasis: 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. TWC produced and aired 12 live football games in 2016 and has scheduled 12 live basketball games (6 double-header games).
10. DISCUSSION ITEM: Strategic Plan update and consideration for next five-year plan (2017-2022)	Discussion only; NO ACTION	Points of emphasis: Review status of completed Strategic Plan items and review future plan.
11. DISCUSSION ITEM: Staff updates	Discussion only; NO ACTION	Points of emphasis: <ul style="list-style-type: none"> - Tra Waters was hired as Assistant Commissioner for Sports & Championships after interview process and began in this new role effective 8/22/2016. - Patrick Stephenson resigned effective 7/30/2016 to assume a position elsewhere. - Kayla Austin was hired as Director of Marketing to replace Patrick Stephenson and began working in this capacity on 8/22/2016.

