

Section Financial Picture

Issue- Fall playoffs did not reach the projected income by \$25,000.

Background Information-

Though the Section has been conservative when project income from playoffs, this past fall we did not reach projections, so the Section is deficit spending. We currently have money in our undesignated reserves to cover the costs, but we cannot continue with more years of deficit spending.

We currently have approximately \$71, 000 in undesignated reserves. This is below the Constitutional requirement of 25% (excluding the officials' mileage and school share of the playoffs.) Excluding school shares and officials mileage the NSCIF budget is \$328,500 and 25% of that is \$82, 125. The undesignated reserves are set aside for years like this one.

Discussion points-

It has been several years since dues have been increased. Raising the minimum and maximum by \$100 would net approximately \$4,700 to the Section.

We could begin the process of converting to a demand budget. The Section would keep all of the profits until the conclusion of the year. The Section would have to maintain enough money to begin the following year, but then the profits would be divided by all schools or divided by the schools based on the percentage they should have received as their portion on the profits of the playoffs. This would be on going so the years that the profits exceed the projects the schools would have more coming back to them.

We could charge entry fees for more playoffs. Currently we do not charge for football, volleyball and basketball, since these are the sports that we share the profit with the schools. Not all games cover the expenses of having the game.

We do not have all the numbers in from basketball; hopefully we will have a more complete picture by our meeting next week.

We could wait another year and see how fall playoffs go next year.