

To: NCNMLG Board and Members
From: Leah Anderson, Treasurer
Date: June 23, 2000
Subject: **Annual Report FY 1999/2000**

The figures provided in this annual report do not include monies from the coupon accounts. The income generated by the coupon accounts has not been used during this fiscal year, or in the past, for the operating expenses of the Chapter. The coupon manager is responsible for the accounting and reporting of the activities of the coupon funds.

Totals provided in the annual reports from some offices and committees will not necessarily correspond to the Treasurer's totals. This is due to the timing of payments/receipts made by the committees. For example, the cost of printing the membership directory (\$1436.61) will be reported by the Membership Committee for FY 1999/2000. However, payment for that expense was not made by the Treasurer until June 2000 which falls in FY 2000/2001.

Financial Overview for FY 1999/2000

General Treasury (based on May 2000 bank statements)

Checking Account Balance	\$2,262.90
Money Market Account Balance	\$7,113.59

Income/Expenses

	<u>Actual</u>	<u>Budgeted</u>	<u>Variance</u>
Income	\$5,992.70	\$7,045.00	(\$1,052.30)
Expenses	\$12,837.56	\$29,440.00	(\$16,602.44)
<i>FY1999/2000 Operating Loss</i>		<i>(\$6,844.86)</i>	

Chapter Programs/CE Course

	<u>Income</u>	<u>Expenses</u>	<u>Profit/Loss</u>
March CE Course	\$510.00	\$856.38	(\$346.38)
August Retreat	\$202.50	\$462.18	(\$259.68)
September Program	\$266.00	\$244.13	\$21.87
November Program	\$253.50	\$237.59	\$15.91
April Program	\$755.00	\$648.00	\$107.00

Detailed Financial Information

Attached are four documents detailing the finances for the year. Two of the documents are ledgers showing the Chapter's income and expenses. These show who or what company was paid for what service throughout the year. The ledgers are organized to show which committee/officer incurred the expense/income, and how that expense/income was allocated to the appropriate categories.

The third document summarizes the income/expenses of each office and committee. The final profit/loss for the Chapter's major income sources – programs, CE courses, membership dues, and the union list, are also provided.

The final document summarizes income/expenses by reportable category. These are categories that MLA requires for federal tax purposes. Categories include such activities as travel expenses; newsletter costs; directory costs; mailing costs; insurance and accounting fees.

Throughout the course of the year, the Treasurer endeavored to make all payments and reimbursements in a timely manner. In addition, the Treasurer attended all meetings except for the 2000 Transition meeting. A report detailing the financial status of the Chapter was presented to the Board and membership at each meeting. After the February 2000 meeting, the Treasurer's reports were reproduced in the newsletter. The Treasurer has forwarded to the Archivist original copies of all quarterly reports, the financial analysis, and this annual report. A document containing specific information about the Chapter's bank, account numbers, federal tax numbers, and other important confidential information was also forwarded to the Archivist.

In September 1999, the Treasurer outlined the proposed budget for the Chapter. It was noted then that the Chapter was very short of funds and could not support the proposed budget. The report also showed that the Chapter has a tendency to over budget by a wide margin. During this meeting, a discussion about raising membership dues took place.

In the February 2000 meeting, the Treasurer's report showed how quickly the Chapter was using up its funds in the general treasury. An overview of the major expenses and income sources was provided to show that the Chapter's income sources were not keeping pace with expenses.

A second discussion about a membership dues increase prompted those members in attendance to request a report from the Treasurer detailing how the Chapter's funds have been used over the past decade. President-Elect Mary Beth Train agreed to assist the Treasurer in this task.

The Treasurer spent around 40 hours with the assistance of Mary Beth sifting through records to compile an analysis of the financial activities of the Chapter back to 1992. During this process, it was noted that the quality of record keeping by committees and officers through the years has been declining. It was difficult to find all the information needed, and the Chapter's archives did not always contain the needed documents.

A draft of the financial analysis was presented to the Board at the April 2000 meeting. Comments were taken and incorporated into the report. The financial analysis was published for the membership on April 17, 2000, via the Chapter's listserv. The report was also posted on the Chapter's website for downloading in PDF format. Another copy of the report was reproduced

in the Chapter's newsletter published in May. A copy of the analysis was forwarded to the Archivist for permanent storage in the Chapter's archives.

The Treasurer also brought up the topic of the annual accounting audits in the April 2000 meeting. The bylaws currently require an annual audit of the Chapter's books. This costs typically between \$1000-\$1500. Because of a misunderstanding on the Treasurer's part, an audit of the Chapter's books for FY 1998/1999 had not been completed. Thus, the Chapter is faced with an audit of two fiscal years at a cost between \$1500-\$2000. It was the Treasurer's concern that the treasury funds could not support this expense at present due to the upcoming Joint Meeting in San Francisco in 2001. Funds will be needed up front to prepare for the conference before registration fees are collected. The Board agreed to postpone the audit until November 2000 which will still satisfy the bylaws requirement but keep available longer as many funds as possible for Chapter expenses for the Joint Meeting. During the next fiscal year, the Treasurer will propose a change in the bylaws to mandate financial audits every three to five years.

MLA files federal taxes on behalf of NCNMLG. The Chapter's auditor in the past has prepared state and sales tax reports. In the coming year, this burden will fall onto the Treasurer. The Treasurer informed the Board that she will need to consult the auditor, most likely at a cost, for information about preparing these tax reports.

Respectfully submitted,

Leah H. Anderson
Treasurer