

# **NCNMLG Financial Analysis Report**

**Prepared by**

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Following is a financial analysis of the activities of NCNMLG from FY 1992/1993 through 1999/2000 to date. This report was prepared at the request of the NCNMLG membership at the February business meeting held during the 2000 Joint Meeting of the NCNMLG/MLGSCA in San Diego, CA. Mary Beth Train, President-Elect, and Leah Anderson, Treasurer, assembled the report. Assistance in data gathering was provided by Nancy Zinn, NCNMLG Archivist, and Roger Brudno, Membership Chair.

This report will be posted on the Chapter's web site and will be printed in the May/June newsletter. Members will have an opportunity to discuss the report at the Transition Meeting on June 23, 2000, at the California College of Podiatric Medicine (CCPM) in San Francisco. It is also hoped that discussions will take place over the listserv. Proposals and actions derived from discussions among members and the Board will be presented at the business meeting on August 4, 2000, also at the CCPM.

This report provides an overview of the Chapter's financial activities. While observations are given, suggestions for specific proposals or actions are beyond the scope of this report.

## ***Contents***

The report is composed of three documents. The first summarizes how the report was prepared and provides observations and conclusion drawn from the analysis. The second is a chart providing the financial detail for each fiscal year. The types of information conveyed in the chart are outlined below. The third document contains explanatory notes for the financial detail found in the chart. These notes provide clarification on many aspects of the financial information.

The chart provides figures for total membership as well as the balance of the general treasury through the years. Total income and expenses are reported for each year, and the final margins of profit/loss.

Major income sources are detailed in the chart. These include dues, revenues from Joint Meeting and union list sales. In addition, the coupon surplus is reported for each fiscal year available. Surplus is the amount of money left over if all coupons were redeemed simultaneously.

Expenses were broken down into five categories: operating, variable, newsletter, membership/directory, and travel. Operating expenses include such categories as taxes, insurance, audit costs, PO box rental, stationery, and costs of mailings. Variable expenses were broadly interpreted to mean any expense not needed for the Chapter's basic existence. These expenses include programs, CE courses, web site development and enhancements, public relations, donations, and special Chapter activities such as the 50<sup>th</sup> anniversary celebration.

## ***How the Data was Gathered***

Financial archives held by the Treasurer were searched for end-of-the-year financial reports from previous Treasurers and final reports from Committees. We each took different fiscal years to categorize.

Variations in the categorizations of the financial information made by past Treasurers and Officers made this task difficult. We tried to retain consistency in our approach but at times we simply had to guess.

The Treasurer's archives did not contain all the information needed. Nancy Zinn was asked to search the Chapter's archives at the University of California, San Francisco. Unfortunately, Nancy discovered that final reports and archives from offices and committees are not present in the archives for most years. As a result, there are some gaps in the chart.

### *Observations*

1. Quality of reporting by the Chapter's Officers and Committee Chairs has declined dramatically over the years. Sufficient detail about the activities of offices and committees were not always provided. Also, these important documents are not being forwarded to the archivist in a timely manner for permanent storage.
2. Typically, the Chapter runs at a deficit in the non-Joint Meeting years. However, the Chapter ran at a loss for three consecutive years (1995-1998). This reduced the Chapter's treasury by 60%. Special activities during this period were the Chapter's 50<sup>th</sup> anniversary celebration; the development of the Chapter's web site; a public relations effort that included posters for each member; and the redesign of the Chapter's logo.
3. Revenue from the Chapter's main income sources are declining dramatically. Main income sources are membership dues and revenues from the Joint Meeting and union list sales. Revenue from the Joint Meeting appear to be relatively constant ranging from \$5000 to \$8000. Membership has declined by 28% in the past six years, and the membership fee has not been changed in over a decade. The union list provides significant income in the years around a new edition. However, with the recent developments of web-based interfaces for SERHOLD data, the decision was made to no longer produce the union list.

Revenues from dues and union list sales are realized annually while revenue from the Joint Meeting arrive bi-annually. The elimination of the union list and declining membership revenue hurt the Chapter on an annual basis, making it more critical and difficult for the Joint Meeting profits to carry the activities of the Chapter. Increasing membership and dues would help curb this dramatic decline. Generating ideas for other sources of income could help make-up for the loss of union list sales.

4. In every year but FY 1994/95 and the current FY 1999/2000, programs ran a deficit. CE courses have always lost money except for FYs 1993/1994 and 1994/1995. The Chapter needs to decide whether to continue to offer these activities at a loss, reduce the number given, and/or concentrate on cost recovery.
5. Reimbursement for travel by Officers and Committee Chairs was approved by the Board on January 31, 1995. The amount spent on travel has varied over the years and has been quite significant in some years. Placing limits or restrictions on travel reimbursement could work to contain these costs.
6. Costs for producing the newsletter were high when 10 issues per year were published. Costs have gone down with the reduced number of issues. Switching to an electronic version only could save \$2000-\$3000 per year.
7. Placing the membership directory on the Chapter's web site could also save between \$1500-\$2000 per year.