

**TREASURER** – Steven Clark

Section operations continue to go well due to the diligence of the Section staff. A special thank you is extended to: Terri DeFlorian, Tara Fredrickson, Sharon Klinski, Kathy Olson, and Carol Denison for their commitment.

The financial information presented here is taken from the 2007 audit reports produced by the accounting firm, Gillette and Associates of La Crosse, WI, that performs a full audit of the Orthopaedic Section's finances and financial procedures each year.

FINANCIAL YEAR	TOTAL ASSETS	GAIN (LOSS)
2005	\$2,361,779.00	0.46%
2006	\$2,829,275.00	19.79%
2007	\$3,019,776.00	6.73%

The 2008 profit was decreased from 2007, but when adjusted for the \$50,000 legal fees for the NATA law suit, 2008 profit remains strong.

FINANCIAL YEAR	INCOME	EXPENSES	Profit (Loss)
2005	\$1,398,000.00	\$1,052,000.00	\$346,000.00
2006	\$1,540,000.00	\$1,136,870.00	\$403,130.00
2007	\$1,633,000.00	\$1,349,740.00	\$283,260.00
2008 unaudited	\$1,706,681.00	\$1,441,480.00	\$265,201.00

Orthopaedic Section value continues to be demonstrated through an increase in membership dues income:

INCOME FROM MEMBERS DUES	
2005	\$641,000.00
2006	\$661,366.00
2007	\$697,619.00
2008	\$699,434.00

Independent study courses remain profitable providing a positive non-dues revenue. The Section is very appreciative of the efforts of the course authors, advisory panel and the production team.

YEAR	INCOME	EXPENSE	PROFIT
2004	\$331,000.00	\$185,000.00	\$146,000.00
2005	\$493,000.00	\$255,000.00	\$238,000.00
2006	\$435,000.00	\$199,000.00	\$236,000.00
2007	\$418,000.00	\$206,000.00	\$212,000.00
2008	\$440,279.00	\$135,144.00	\$305,135.00

Orthopaedic Section Building: Rental income covered 99% of building expenses in 2007.

Annual	Income	Expense
rental income	\$51,400.00	
property tax		\$35,000.00
Bldg.maintenance		\$12,200.00
insurance		\$3,800.00

The balance of the reserve fund should, ideally be 40 - 50% of one year's operating expenses plus the sum of the SIG encumbered funds. At the end of year 2008 the reserve fund total of \$1,010,375 minus \$103,175 SIG encumbered funds places the Section at 58.5% of the 2009 budgeted expenses of \$1,549,584. The stock market has reduced LPL and AG Edwards funds but in both cases, our management team for these funds has kept the losses at a lower rate than the averages the funds are compared with. The finance committee recommendation to move funds into laddered certificate of deposits has proven to be a very good decision with the market decline.

INVESTMENTS	12/31/2008	12/31/2007	\$ Change	% Change
Reserve Fund (SIG Encumbered Funds)				
Checking	\$215,608.00			
Savings	\$69,921.00			
Laddered CD's	\$200,000.00			
LPL	\$524,846.00	\$716,183.00	-\$191,337.00	-26.72%
Research Endowment Fund				
AG Edwards	\$757,369.00	\$1,081,479.00	-\$324,110.00	-29.97%

The portion of the JOSPT expenses paid by the Orthopaedic Section has increased with the restructuring of JOSPT governance in 2006. The payment is now based upon actual membership numbers, thus as membership grows, expenses will grow.

#### JOSPT Contributions

2006	\$128,000.00
2007	\$202,000.00
2008	\$225,000.00
2009	\$232,507.00

Commitment to the Foundation for Physical Therapy: Capital Funds Campaign. Future donations are contingent on the Section meeting their reserve fund requirement.

2007	\$150,000.00
2008	\$50,000.00
2009	\$50,000.00
2010	\$50,000.00
2011	\$50,000.00
2012	\$50,000.00
2013	\$50,000.00
2014	\$50,000.00
Total Commitment	\$500,000.00

The Finance Committee members are Marcie Harris-Hayes and Jason Tonley. An additional member will need to be appointed. Tara Jo Manal's term ended in 2008 and she is still eligible for a 2<sup>nd</sup> term on the committee.