

MRS Treasurer's Report

I am pleased to present the following annual Statement to Members on the financial health of the Materials Research Society. My statement is based on the auditor's reports prepared by our accountants, Martin R. Bujaky & Associates, Certified Public Accountants, Pittsburgh, for the years ending December 31, 1987 and 1986. The basic financial information may be found on the following page in the tabulated material entitled Financial Statements and Statements of Revenues, Expenses, and Changes in Fund Balance.

The Materials Research Society continues to grow vigorously. Some numerical indicators of this growth are shown in Table I. It is notable that, each year, a greater proportion of members begin or renew their memberships individually, i.e., separately from attendance at a meeting. This indicates that MRS is developing an ongoing membership base which transcends the technical program at a given meeting. The annual budget has increased by approximately \$0.5 million each of the last four years, reflecting major new initiatives in Society activities and member services.

A picture of the inward and outward flow of dollars is given by the revenue and expense pie charts in Figures 1 and 2. The Materials Research Society's primary focus continues to be the technical meetings and their associated activities. Since 1984 two annual meetings have been held, in the Spring and the Fall, in response to the increasing demand for symposia covering new and diverse topics in forefront materials research. MRS is its own publisher of symposium proceedings and presently publishes approximately 30-35 volumes a year, along with proceedings from selected co-sponsored meetings. The short course program and the equipment show are important activities associated with the meetings. The short course program expanded in 1986 to include the Spring meeting, while the equipment show did so in 1987. At the present time grants and corporate sponsors primarily support technical symposia; the Corporate Affiliate program, included in the same sector of the chart, supports other activities of special significance such as the Graduate Student Awards program. Both the *Journal of Materials Research* and the *MRS BULLETIN* continue to develop, especially technically. In 1988 the *BULLETIN* has expanded to 12 issues annually, and later this year publication of *JMR* will be transferred to MRS Headquarters. Both fine publications are expected to break even within a few years. Headquarters staff and operations expenses are apportioned into the other activity areas in Figure 2.

Overall, the financial health of the Society is good. MRS maintains financial reserves, which I manage and report on regularly to Council. These reserves have been augmented every year. The fact that reserves are growing more slowly than the budget reflects the growth, and addition, each year, of expanded and new Society activities which may not initially generate net revenue. In that sense, it is a sign of a vigorous, growing Society. Our reserves should be adequate to get through moderately difficult times, should they occur, and still hold the line on meeting registration fees and proceedings costs, which members see most directly. For the longer term, Council has designated a portion of the reserves to provide a basis for long-range projects such as an expanded awards program or the possible eventual purchase of a Headquarters building. In addition, the Long Range Planning Committee is working on a comprehensive five-year plan to consider trends, goals, and balance among the many Society activities.

Respectfully submitted,



Susan M. Kelso, Treasurer

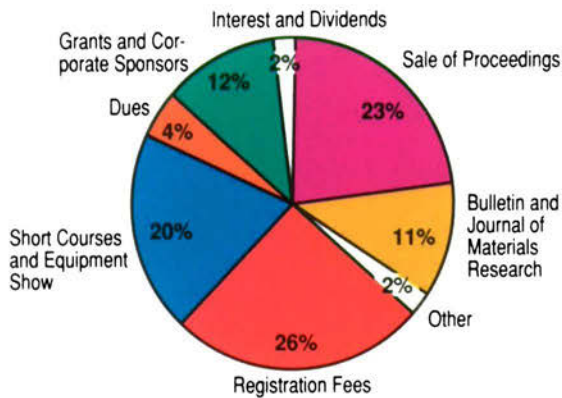


Figure 1. 1987 MRS Revenue Sources.

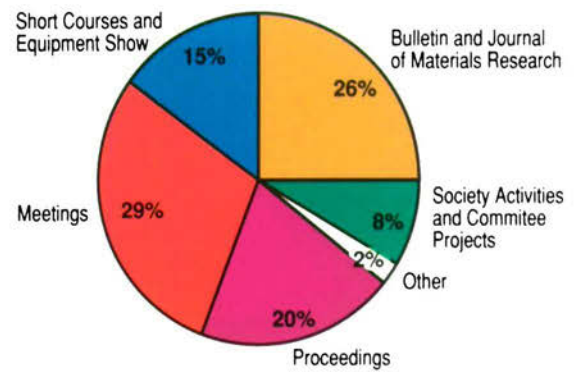


Figure 2. 1987 MRS Expense Categories.

Table I. Some Key Indicators of MRS Growth

Year	Membership	Headquarters Staff	Operating Budget (\$M)*
1983	1,225	0.5	0.27
1984	2,100	3	0.52
1985	3,550	7	1.06
1986	4,800	10	1.58
1987	5,950	15	2.01
1988	7,770	18	2.57

*Operating budget (expenses) approved by Council. Actual revenues and expenditures are slightly different.

Materials Research Society
Balance Sheets as of December 31, 1987 and 1986

ASSETS

	1987	1986
Current Assets:		
Cash and Investments		
General Operations	\$ 912,241	\$ 643,413
Council Designated*	417,819	400,000
Accounts Receivable	158,090	130,641
Grants Receivable	147,115	105,175
Book Inventory	242,427	142,999
Prepaid Expenses	7,802	4,755
Payroll Advances Receivable	546	746
Total Current Assets	\$ 1,886,040	\$ 1,427,729
Property and Equipment:		
Furniture and Equipment	\$ 184,319	\$ 137,365
Less: Accumulated Depreciation	77,796	45,034
Net Property and Equipment	\$ 106,523	\$ 92,331
Total Assets	\$ 1,992,563	\$ 1,520,060

LIABILITIES AND FUND BALANCE

	1987	1986
Current Liabilities:		
Accounts Payable	\$ 140,293	\$ 176,970
Accrued Payroll Taxes	2,104	9,476
Other Accrued Expenses	147,215	—
Deferred Revenue	179,459	147,760
Total Current Liabilities	\$ 469,071	\$ 334,206
Fund Balance (Unrestricted)†	1,523,492	1,185,854
Total Liabilities and Fund Balance	\$ 1,992,563	\$ 1,520,060

*Funds (\$400,000) were set aside by Council in December 1986 to provide a basis for funding long-range Society projects. The increase represents interest earnings over expenditures.

†Treasurer's footnote: The unrestricted fund balance includes "reserves" managed by the Treasurer. These were \$738,258 (1987) and \$653,585 (1986), including Council designated funds.

Materials Research Society
Statements of Revenues, Expenses, and Changes in Fund Balance
for the Years Ended December 31, 1987 and 1986

	1987	1986
Revenues:		
Membership Dues	\$ 98,565	\$ 54,238
Grants and Corporate Sponsors	305,882	339,390
Inventory Sales	586,539	483,250
Interest and Dividends	52,220	53,992
Bulletin/Journal	275,961	188,128
Meeting Revenue	1,200,588	753,996
Miscellaneous	16,356	11,795
Total Revenues	\$ 2,536,111	\$ 1,884,789
Cost of Book Sales:		
Beginning Inventory	\$ 142,999	\$ 79,984
Production Costs	262,810	254,966
	\$ 405,809	\$ 334,950
Ending Inventory	242,427	142,999
Net Cost of Book Sales	\$ 163,382	\$ 191,951
Gross Revenues	\$ 2,372,729	\$ 1,692,838
Operating and Administrative Expenses	2,035,091	1,356,242
Excess of Revenues over Expenses	\$ 337,638	\$ 336,596
Fund Balance, Beginning of Year	1,185,854	849,258
Fund Balance, End of Year	\$ 1,523,492	\$ 1,185,854
Operating and Administrative Expenses:		
Headquarters Operations and		
Member Services	\$ 616,885	\$ 415,196
Bulletin/Journal	410,034	265,995
Society Meetings	751,428	553,439
Society Activities and		
Committee Projects	217,785	93,215
Depreciation	32,762	25,222
Miscellaneous	6,197	3,175
Total Expenses	\$ 2,035,091	\$ 1,356,242