

## MRS Treasurer's Report

Dear MRS Members,

It is my pleasant duty to present the following annual statement to the membership 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, 1986 and 1985. The basic financial information is contained in the tabulated material entitled Balance Sheets and Statement of Revenues, Expenses, and Changes in Fund Balance, which may be found on the following page.

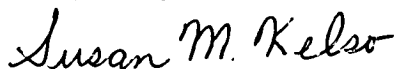
The Materials Research Society continues to grow vigorously. Some numerical indicators of this growth are shown in Table I. In just four years our membership has grown by almost a factor of five. Over the same period of time our Headquarters has also changed dramatically, from a part-time Secretariat to a staff of 15, who handle an increasing number of meeting support and other member service activities. Major initiatives undertaken by the Materials Research Society since 1983 include an annual Spring meeting; taking over the publication of the MRS Symposium Proceedings; the short course program, equipment show, and job placement center at the meetings; the *Journal of Materials Research*; and the transformation of the *Bulletin* from a bi-monthly newsletter into a technical magazine of interest to the entire materials research community. These member services both use and generate revenue, and the growth of the annual operating budget reflects this expansion of activities.

A picture of the inward and outward flow of dollars is given by the revenue and expense pie charts in Figs. 1 and 2. Meeting-related activities retain the dominant role. The major change for 1986 compared to 1985 is the growth in publications revenue, with a smaller increase in expenses. Although the *Journal of Materials Research* did not produce a net revenue in its first year, it did better than expected financially and, more importantly, is off to a good start technically. Both the *Journal* and the *Bulletin* are expected to break even within a few years. Initial losses which may be incurred from ventures such as these are covered by depleting actual or potential reserves.

It may be noted that the revenue pie chart is larger than that for expenses, indicating an excess of total revenues over expenses. This represents an increase in Society cash reserves as well as areas like book inventory and computer equipment for membership and financial records. Our cash reserve position may be characterized as adequate: the Society is by no means rich, but reserves are adequate to get through moderately difficult times, should they occur, and still hold down meeting registration fees and proceedings costs. At its December 1986 meeting, Council designated a portion of cash reserves to provide a basis for long-range projects such as an expanded awards program or the possible eventual purchase of a Headquarters building.

I close with an observation on the changing role of the Treasurer. Only a few years ago when current MRS President Kathy Taylor was Treasurer, the Society's complete financial records were kept by the Treasurer. The number of financial transactions has increased so much that a full-time Headquarters staff member is needed just to record the financial activity. This allows me to devote my attention to the overall financial oversight of the Society.

Respectfully Submitted,



Susan M. Kelso, Treasurer

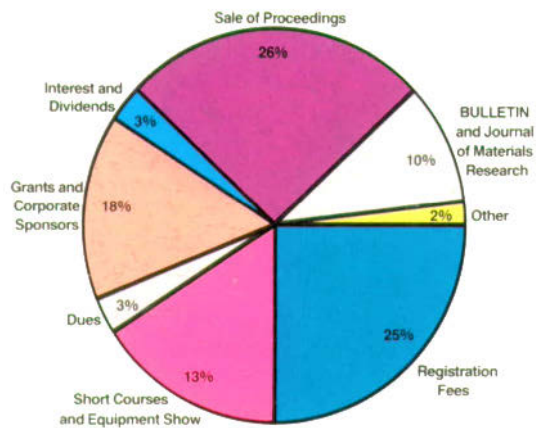


Figure 1. 1986 MRS Revenue Sources

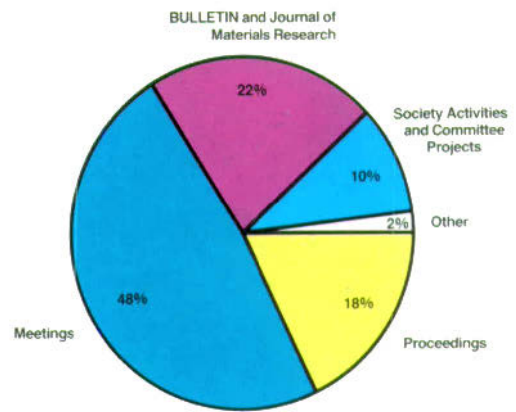


Figure 2. 1986 MRS Expense Categories

**Materials Research Society**  
Balance Sheets as of December 31, 1986 and 1985

**ASSETS**

|                                     | 1986                | 1985                |
|-------------------------------------|---------------------|---------------------|
| <b>Current Assets:</b>              |                     |                     |
| Cash and Investments                |                     |                     |
| General Operations                  | \$ 643,413          | \$ 732,152          |
| Council Designated                  | 400,000             | -                   |
| Accounts Receivable                 | 130,641             | 98,480              |
| Grants Receivable                   | 105,175             | 63,175              |
| Deposits Receivable                 | -                   | 2,267               |
| Book Inventory                      | 142,999             | 79,984              |
| Prepaid Expenses                    | 4,755               | 15,599              |
| Payroll Advances Receivable         | 746                 | 900                 |
| <b>Total Current Assets</b>         | <b>\$ 1,427,729</b> | <b>\$ 992,557</b>   |
| <b>Property and Equipment:</b>      |                     |                     |
| Building and Equipment              | \$ 137,365          | \$ 73,647           |
| Less: Accumulated Depreciation      | 45,034              | 19,812              |
| <b>Net Property &amp; Equipment</b> | <b>\$ 92,331</b>    | <b>\$ 53,835</b>    |
| Other Assets                        | -                   | 2,662               |
| <b>Total Assets</b>                 | <b>\$ 1,520,060</b> | <b>\$ 1,049,054</b> |

**LIABILITIES AND FUND BALANCE**

|   |                     |                     |
|---|---------------------|---------------------|
| <b>Current Liabilities:</b>               |                     |                     |
| Accounts Payable                          | \$ 176,970          | \$ 122,408          |
| Accrued Payroll Taxes                     | 9,476               | 525                 |
| Deposits Payable                          | 147,760             | 76,863              |
| <b>Total Current Liabilities</b>          | <b>\$ 334,206</b>   | <b>\$ 199,796</b>   |
| <b>Fund Balance:</b>                      |                     |                     |
| Unrestricted*                             | 1,185,854           | 849,258             |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 1,520,060</b> | <b>\$ 1,049,054</b> |

These funds were designated by Council at its December 1986 meeting to provide a basis for funding long-range Society projects.

\* Treasurer's footnote: The unrestricted fund balance includes "reserves" managed by the Treasurer. These were \$650,507 (1986) and \$508,651 (1985).

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                    |

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

**Materials Research Society**

Statement of Revenues, Expenses and Changes in Fund Balance for the Years Ended December 31, 1986 and 1985

|   |           |                  |                     |
|---|-----------|------------------|---------------------|
| <b>Revenues:</b>                                |           | <b>1986</b>      | <b>1985</b>         |
| Membership Dues                                 | \$        | 54,238           | \$ 39,118           |
| Grants and Corporate Sponsors                   |           | 339,390          | 277,068             |
| Inventory Sales                                 |           | 483,250          | 254,260             |
| Interest and Dividends                          |           | 53,992           | 34,595              |
| Bulletin/Journal/Materials Letters              |           | 188,128          | 15,383              |
| Meeting Revenue                                 |           | 753,996          | 578,203             |
| Miscellaneous                                   |           | 11,795           | 73,459              |
| <b>Total Revenues</b>                           | <b>\$</b> | <b>1,884,789</b> | <b>\$ 1,272,086</b> |
| <b>Cost of Book Sales:</b>                      |           |                  |                     |
| Beginning Inventory                             | \$        | 79,984           | \$ 25,233           |
| Production Costs                                |           | 254,966          | 182,066             |
|   | \$        | 334,950          | \$ 207,299          |
| Ending Inventory                                |           | 142,999          | 79,984              |
| <b>Net Cost of Book Sales</b>                   | <b>\$</b> | <b>191,951</b>   | <b>\$ 127,315</b>   |
| <b>Gross Revenues</b>                           | <b>\$</b> | <b>1,692,838</b> | <b>\$ 1,144,771</b> |
| <b>Operating &amp; Administrative Expenses</b>  |           | <b>1,356,242</b> | <b>810,659</b>      |
| <b>Excess of Revenues over Expenses</b>         | <b>\$</b> | <b>336,596</b>   | <b>\$ 334,112</b>   |
| <b>Fund Balance - Beginning of Year</b>         |           | <b>849,258</b>   | <b>515,146</b>      |
| <b>Fund Balance - End of Year</b>               | <b>\$</b> | <b>1,185,854</b> | <b>\$ 849,258</b>   |
| <b>Operating &amp; Administrative Expenses:</b> |           |                  |                     |
| Headquarters Operations and Member Services     | \$        | 415,193          | \$ 278,442          |
| Bulletin/Journal Production                     |           | 265,995          | 74,715              |
| Society Meetings                                |           | 553,439          | 355,132             |
| Society Activities and Committee Projects       |           | 93,215           | 80,475              |
| Depreciation                                    |           | 25,222           | 14,149              |
| Miscellaneous                                   |           | 3,175            | 7,746               |
| <b>Total Expenses</b>                           | <b>\$</b> | <b>1,356,242</b> | <b>\$ 810,659</b>   |