

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.

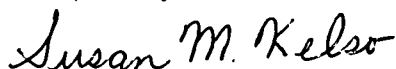
The Materials Research Society continues to grow vigorously. Some numerical indicators of this growth are shown in Table I. In just four years our membership has grown by almost a factor of five. Over the same period of time our Headquarters has also changed dramatically, from a part-time Secretariat 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

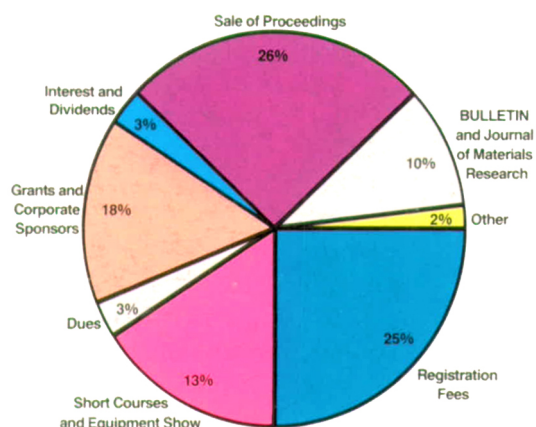


Figure 1. 1986 MRS Revenue Sources

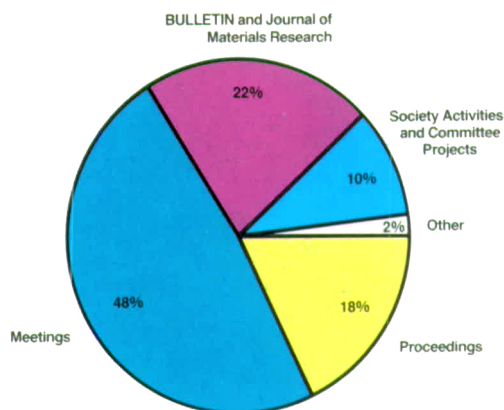


Figure 2. 1986 MRS Expense Categories

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

ASSETS

	1986	1985
Current Assets:		
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
Total Current Assets	\$ 1,427,729	\$ 992,557
Property and Equipment:		
Building and Equipment	\$ 137,365	\$ 73,647
Less: Accumulated Depreciation	45,034	19,812
Net Property & Equipment	\$ 92,331	\$ 53,835
Other Assets	-	2,662
Total Assets	\$ 1,520,060	\$ 1,049,054

LIABILITIES AND FUND BALANCE

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

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

	1986	1985
Revenues:		
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
Total Revenues	\$ 1,884,789	\$ 1,272,086
Cost of Book Sales:		
Beginning Inventory	\$ 79,984	\$ 25,233
Production Costs	254,966	182,066
	\$ 334,950	\$ 207,299
Ending Inventory	142,999	79,984
Net Cost of Book Sales	\$ 191,951	\$ 127,315
Gross Revenues	\$ 1,692,838	\$ 1,144,771
Operating & Administrative Expenses	1,356,242	810,659
Excess of Revenues over Expenses	\$ 336,596	\$ 334,112
Fund Balance - Beginning of Year	849,258	515,146
Fund Balance - End of Year	\$ 1,185,854	\$ 849,258
Operating & Administrative Expenses:		
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
Total Expenses	\$ 1,356,242	\$ 810,659

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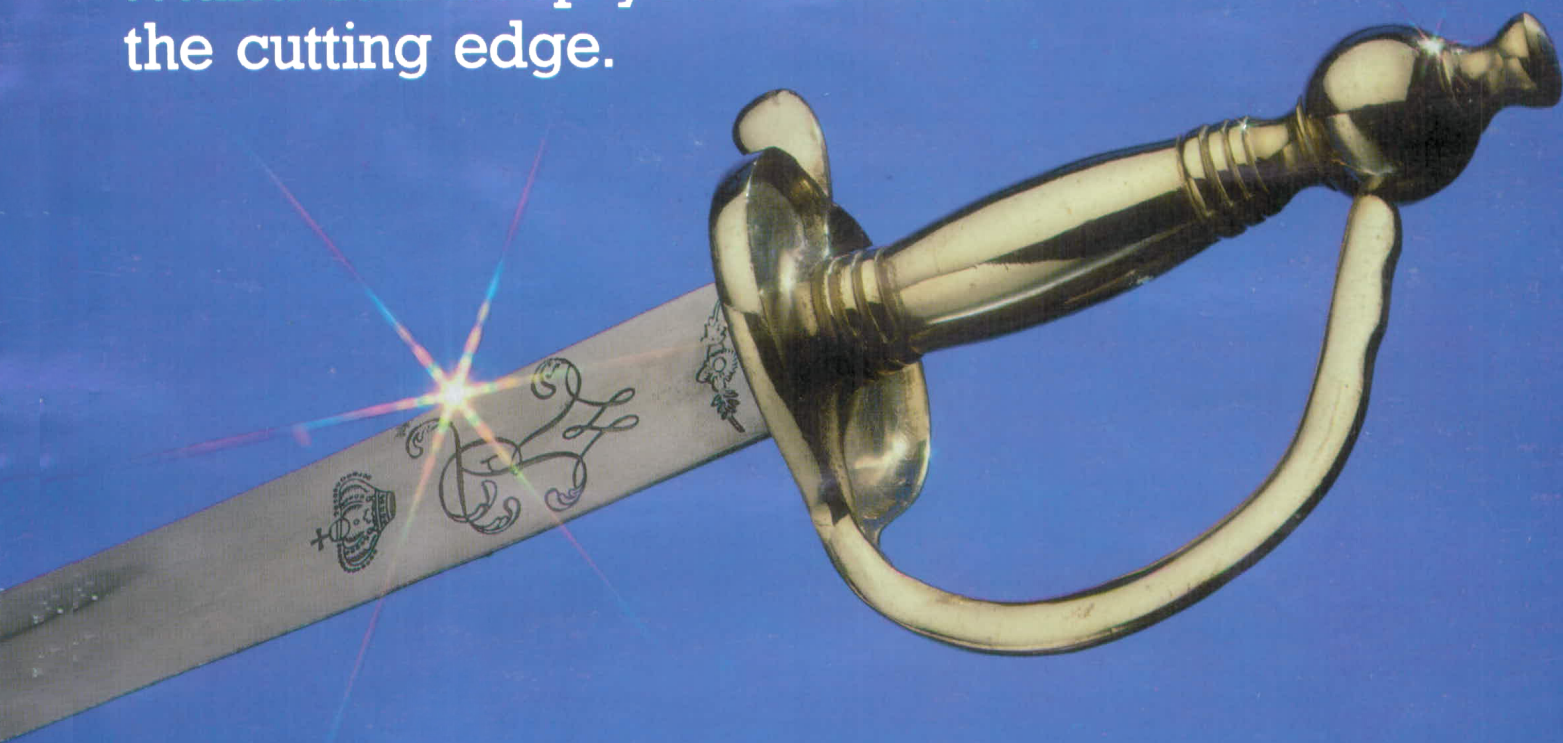
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