

MRS Treasurer's Report

Dear fellow MRS members:

I am pleased to present you with a financial statement on the health of our Society. For the last two years, the Society has been audited by Martin R. Bujaky & Associates, Certified Public Accountants, Pittsburgh. This statement is based upon their reports.

As most of you undoubtedly know, our Society has been growing at a phenomenal rate over the last several years. Table I presents data indicating rapid growth in three key areas: membership, size of staff at our Pittsburgh headquarters, and our operating budget for the calendar years 1983 through 1986. One can compare these numbers with the not too distant past, say the year 1980, when our membership numbered in the hundreds, we were operating out of The Pennsylvania State University, and functioning on a shoestring budget of less than \$50,000. Since 1980 we've increased the size of our Boston meeting, added a spring meeting, expanded the MRS BULLETIN, assumed the publishing of our own proceedings volumes, added student chapters, local sections, short course programs, and most recently, started *Journal of Materials Research*.

All these activities require revenue to operate. Some we hope, such as the BULLETIN, will eventually break even. The last column in Table I shows the increased demand for operating revenue that has resulted from these new membership services, and increased number (and size) of our annual meetings. The Society's revenue comes from a number of sources. To give you the flavor of this I've broken down our 1985 revenue into a pie chart in Figure 1. From this illustration, one can easily recognize the dominant role our two meetings play in generating Society revenue. The three largest categories—corporate sponsors and grants, registration fees, and proceedings sales—add up to 73% of our total revenue for the year 1985. Figure 2 shows where the money went in 1985.

Because this is the first time a treasurer's report to the membership at large has been published, I thought it would be appropriate to make some general comparisons with other scientific societies. Many of us are affiliated with one or more of these societies: The Electrochemical Society, American Ceramic Society, American Physical Society, and American Chemical Society. Table II compares the 1985 membership numbers and total assets of these four societies with that of MRS. You can see that there is a reasonable correlation between membership numbers and total assets for MRS and the two other small societies (ECS and ACerS). One major difference between MRS and these other societies (perhaps all other established societies) is that we have nearly no "restricted" fund balance. Restricted funds are those raised from the membership for specific projects, often through special campaigns. Endowments are another example of revenue that most often is restricted in its use, i.e., for awards or scholarships only. We are a very young society, and have not been very successful in this area, although we have been able to secure financial support from several corporations for the start-up of *Journal of Materials Research*. This will have to be an area of increased activity for the Society as a whole in coming years.

Let me summarize by stating that our Society is now in a better financial situation than only a few years ago, when there would have been no way the Society could have undertaken such a project as JMR. Both the Journal and the increased expense of a larger headquarters staff will significantly slow down our growth of financial reserves, but I am confident we are reasonably positioned with reserves. That will allow us to weather tighter times, should they come, and still hold the line on the costs we as members see most directly—our registration fees and proceedings prices.

Last of all, my special thanks to Kathy Taylor, currently our first vice president, who was treasurer for the four years prior to my term. Her recordkeeping of the years prior to a headquarters, accounting service, and yearly audit provide the only financial history of MRS. There would be no "perspective" if not for her years of service to the Society.

Respectfully submitted,



Clifton Draper, Treasurer

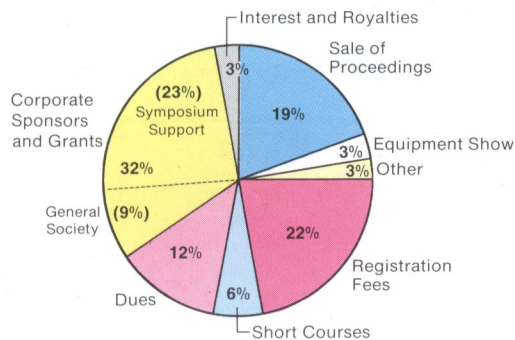


Figure 1. 1985 MRS Revenue Sources

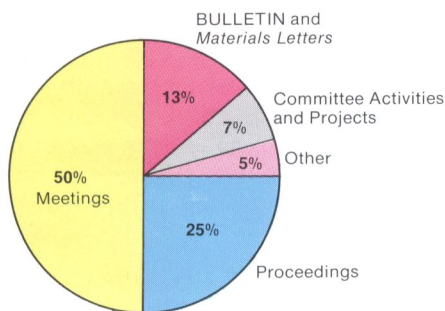


Figure 2. 1985 MRS Expense Categories

Table I. Some Key Indicators of MRS Growth

Year	Membership	Headquarters Staff	Operating Budget (\$)
1983	1,225	0.5	250,000
1984	2,100	3	500,000
1985	3,550	7	950,000
1986	4,800	10	1,600,000

Table II. Membership and Total Assets Comparisons

Society	1985 Membership	1985 Total Assets*
Materials Research Society	3,500	1,000,000
The Electrochemical Society	5,000	2,300,000
American Ceramic Society	10,000	2,900,000
American Physical Society	36,500	12,700,000
American Chemical Society	130,000	190,100,000

*From published end-of-year balance sheets and rounded to the nearest hundred thousand dollars.

Materials Research Society Financial Statements as of December 31, 1985 and 1984

BALANCE SHEETS

ASSETS

	1985	1984
Current Assets:		
Cash	\$ 552,152	\$ 433,039
Investments	180,000	-
Accounts Receivable	98,480	66,949
Grants Receivable	63,175	108,900
Deposits Receivable	2,267	-
Inventory	79,984	25,233
Prepaid Expenses	15,599	12,964
Payroll Advances Receivable	900	-
Total Current Assets	\$ 992,557	\$ 647,085
Property & Equipment:		
Building & Equipment	73,647	46,623
Less Accumulated Depreciation	19,812	5,663
Net Property & Equipment	53,835	40,960
Other Assets	2,662	2,662
Total Assets	\$1,049,054	\$ 690,707

LIABILITIES

Current Liabilities:		
Accounts Payable	\$ 122,408	\$ 103,729
Accrued Payroll Taxes	525	-
Deposits Payable	76,863	71,832
Total Current Liabilities	\$ 199,796	\$ 175,561
Unrestricted Fund Balance:	849,258*	515,146
Total Liabilities & Fund Balance	\$1,049,054	\$ 690,707

*Treasurer's footnote: Of this \$849,258 the Society had "reserves" managed by the treasurer in the amount of \$508,651.

Materials Research Society Statement of Revenues, Expenses, and Changes in Fund Balance for the Years Ended December 31, 1985 and 1984

	1985	1984
Revenues:		
Membership Dues	\$ 39,118	\$ 21,526
Corporate Sponsors & Grants	277,068	231,043
Inventory Sales	254,260	14,298
Interest & Royalties	34,595	35,674
Society Meetings & Activities	667,045	471,463
Total Revenues	\$1,272,086	\$ 774,004
Cost of Book Sales:		
Beginning Inventory	\$ 25,233	\$ 26,192
Purchases	182,066	26,055
	207,299	52,247
	79,984	25,233
	127,315	27,014
Gross Revenue	1,144,771	746,990
Expenses	810,659	520,640
Excess of Revenues over Expenses	334,112	226,350
Fund Balance - Beginning of Year	515,146	288,796
Fund Balance - End of Year	849,258	515,146
Expenses:		
HQ Operations & Member Services	278,442	163,198
Publications	86,842	41,271
Society Meetings & Activities	423,480	311,315
Depreciation	14,149	4,856
Miscellaneous	7,746	-
Total Expenses	\$ 810,659	\$ 520,640