



Treasurer's Report

The following is my 1990 annual Report to Members regarding the financial condition of the Materials Research Society. My report is based on the Society's financial statements for the years ending December 31, 1989 and 1988. The current statement has been reviewed by the Society's auditors, Hinds, Lind, Miller & Co., Certified Public Accountants, Pittsburgh, PA. The complete auditor's report is available by contacting the Director of Finance at MRS Headquarters. A summary of the report is presented in the tabulated material titled Balance Sheets and Statements of Revenue, Expenses, and Changes in Fund Balance.

As has been noted in my previous Reports to Members, the Materials Research Society continues to grow vigorously. Some numerical measures are shown in Table 1. In 1983 virtually all members joined by attending an MRS meeting. More recently, a membership base has been established outside the technical meetings in a given calendar year. Materials research professionals join MRS because of a range of member services—a range which has grown steadily over the last several years. The annual budget and Headquarters staff have also grown correspondingly in order to support the new initiatives in Society activities and member services.

The Society's revenue and expense categories are shown pictorially for 1989 in the pie charts labeled Figures 1 and 2. In Figure 2, Headquarters staff and operations expenses are apportioned into the other activity areas. However, in Figure 1, a portion of membership dues support is included in the meeting registration fee sector. This chart does not reflect the fact that dues support membership benefits such as the *MRS Bulletin* and *Journal of Materials Research*.

Meetings and their related activities continue to be a primary focus for MRS. Two technical meetings are held annually; some 30-35 proceedings of meeting symposia are published each year; and the short course program and equipment exhibit are important complements to the meetings. Membership benefits include the *Bulletin* and *JMR*; both of these excellent publications continue to exceed even their editors' own high expectations. The *Bulletin* expanded to 12 issues annually in 1988, and *JMR* achieved that milestone this year. The revenue from grants and corporate sponsors primarily supports technical symposia; the Corporate Participation Program, included in the same sector, supports programs of special significance such as the Graduate Student Awards program.

The overall health of the Society remains good. The net worth (fund balance) and other financial indicators continue to increase every year. As indicated in a footnote to the Balance Sheets, MRS maintains some funds in reserve accounts. Currently I manage these reserves and report to Council on them. Reserves serve important purposes for both the short- and long-term health of the Society: For the short term, they can provide the means to get through moderately difficult times, while holding the line on the items members see directly, such as meeting registration fees and proceedings prices. For the longer term, they can provide a basis for projects such as an expanded awards program or the eventual purchase of a Headquarters building. A portion of reserves has been designated by Council, as indicated in the table of assets, to provide such a basis for long-range projects.

As the Society grows and matures, balance is needed among major priorities: established projects, new initiatives, and future initiatives. A reserve policy statement was adopted by Council in 1989 as a first attempt to ensure that prudent growth in reserves is not outstripped by the remarkable growth of the Society as a whole. Business plans for current activities are being developed to assist in the annual budget planning cycle. Two-year budget planning will take place starting next year. And the Long Range Planning Committee is working on a comprehensive 10-year strategic plan including trends, goals, and balance among Society activities. These plans will be considered together by the Executive Committee and Council as plans for 1991 and future years are put into place.

Respectfully submitted,

Susan M. Kelso
Treasurer

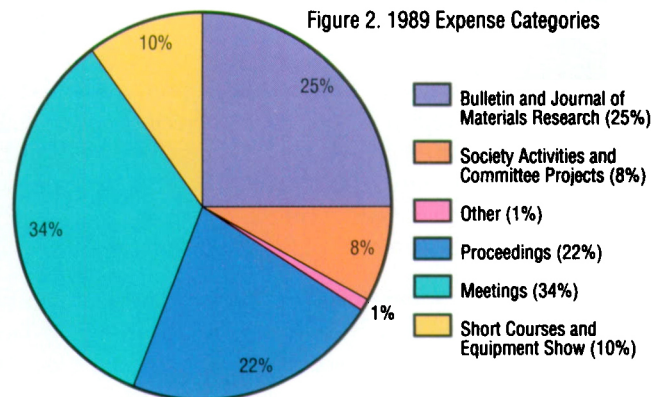
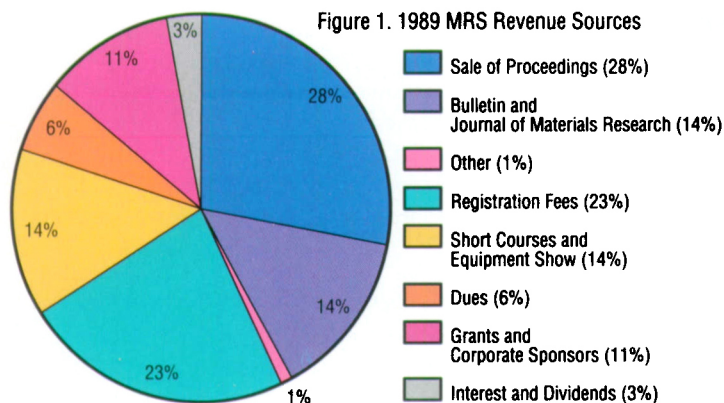


Table 1. Some Key Indicators of MRS Growth

Year	Membership*	Headquarters Staff	Operating Budget (\$M)†
1983	1,575	0.5	0.27
1984	2,550	3	0.52
1985	3,550	7	1.06
1986	4,800	10	1.58
1987	5,950	15	2.01
1988	8,224	18	2.57
1989	9,200	21	3.34
1990	10,400	24	4.28

* Membership for the calendar year (1990 is an estimate).

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

Materials Research Society
Balance Sheets as of December 31, 1989 and 1988

	1989	1988
ASSETS		
Current Assets:		
Cash and Investments		
General Operations, Reserves	\$ 1,011,974	\$ 1,238,228
Council Designated*	467,524	445,579
Accounts Receivable	482,066	278,049
Grants Receivable	218,850	219,940
Inventory—Books and Publications	415,698	328,543
Prepaid Expenses and Other	44,183	10,836
Total Current Assets	\$ 2,640,295	\$ 2,521,175
Fixed Assets:		
Furniture and Equipment	\$ 417,093	\$ 222,520
Less: Accumulated Depreciation	165,386	115,179
Net Fixed Assets	\$ 251,707	\$ 107,341
Total Assets	\$ 2,892,002	\$ 2,628,516
LIABILITIES AND FUND BALANCE		
Current Liabilities:		
Accounts Payable	\$ 72,533	\$ 195,040
Accrued Payroll Taxes Payable	1,304	1,598
Other Accrued Expenses	170,024	98,929
Deferred Revenue	426,200	362,138
Total Current Liabilities	\$ 670,061	\$ 657,705
Fund Balance (Unrestricted)†	2,221,941	1,970,811
Total Liabilities and Fund Balance	\$ 2,892,002	\$ 2,628,516

* 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 Council-directed disbursements.

† The unrestricted fund balance includes reserves currently managed by the Treasurer. These were \$1,153,690 (1989) and \$890,091 (1988), including Council designated funds.

Materials Research Society
Statements of Revenue, Expenses, and Changes in Fund Balance
for the Years Ended December 31, 1989 and 1988

	1989	1988
Revenue and Support:		
Membership Dues	\$ 205,245	\$ 151,876
Grants and Corporate Sponsors	408,240	398,675
Inventory Sales	996,452	815,593
Investment Interest	118,836	78,368
Bulletin/Journal	511,222	441,078
Meeting Revenue	1,356,894	1,226,454
Miscellaneous	19,888	44,529
Total Revenue and Support	\$ 3,616,777	\$ 3,156,573
Expenses:		
Headquarters Operations	\$ 964,439	\$ 780,965
Proceedings	520,809	317,254
Bulletin/Journal	607,419	556,031
Society Meetings	1,078,751	847,402
Society Activities and Committee Projects	147,710	170,828
Depreciation	50,207	37,383
Miscellaneous	384	(4,681)
Total Expenses	\$ 3,369,719	\$ 2,705,182
Excess of Revenue over Expenses	\$ 247,058	\$ 451,391
Other Changes in Fund Balance:		
Unrealized Gain (Loss) on Investments*	4,072	(4,072)
Fund Balance, Beginning of Year	1,970,811	1,523,492
Fund Balance, End of Year	\$ 2,221,941	\$ 1,970,811

* The value of the investment portfolio is stated in the 1988 table of assets at the year-end market value (where available), which may represent an unrealized loss if the market value is less than the value at maturity.